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OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

THIRD SESSION—TWELFTH PARLIAMENT

4-5 GEORGE V., 1914

VOL. CXVI.

COMPRISING THE PERIOD FROM THE TWENTY-NINTH DAY OF APRIL TO THE NINETEENTH DAY OF MAY, INCLUSIVE.

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CANADA

House of Commons Debates

OFFICIAL REPORT—REVISED EDITION

HOUSE OF COMMONS.

Speaker: HON. THOMAS SIMPSON SPROULE.

Wednesday, April 29, 1914.

The House met at Three o'clock, the Speaker in the Chair.

CANADA SHIPPING ACT AMENDMENT.

Hon. J. D. HAZEN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 168, to amend part VI of the Canada Shipping Act. He said:

The House will remember that as a result of numerous representations made to me respecting the pilotage matters on the river St. Lawrence, more particularly in the district below the city of Quebec, I recommended to my colleagues in January, 1913, the appointment of a Royal Commission to inquire fully into the question. This recommendation was approved and a commission was appointed consisting of Captain Lindsay, wreck commissioner for the department, Mr. Thomas Robb, manager and secretary of the Shipping Federation of Canada, and Captain Adjutor Lachance, president of the Corporation of Pilots for Quebec.

The commission commenced the inquiry at Montreal on February 13, 1913, and a series of sittings were continued in that city and in Quebec. A large number of witnesses were examined and nothing was left undone to make the investigation a thorough and comprehensive one. On the 9th of April of the same year, the commission finished its report and a few days later it was submitted to me. Soon after its receipt it was placed before Parliament by me and in that way the members of the House became aware of the nature of the recommendations made. Before I had an opportunity of fully considering the report, the season of navigation was well under way and consequently it was found inexpedient to put all the recommendations into effect last year. All those, however, that were considered material to efficient administration and that could be acted upon without obtaining legislation from this Parliament, were put into effect.

One of the chief recommendations made by the commission was for the abolition of the Corporation of Pilots for and below Quebec. The object of the present Bill is to give effect to this recommendation so far as it is considered necessary to do so. The Quebec Corporation of Pilots was created by chapter 123 of the Act of 1860. This Act, together with subsequent amendments, conferred upon the corporation certain powers, among others the power to select and appoint pilots and apprentices, to prescribe the qualifications necessary and generally to control and manage the entire pilotage service for the district. Referring to these powers the commissioners in their report say:

> The Minister of Marine and Fisheries, as the pilotage authority, has only such powers as may be left to him by the Corporation of Pilots under its charter, and the statutes in amendment thereof. This, we are convinced, is a very unsatisfactory situation, and the commission is of opinion that the time has now arrived for a change to be made, for the minister to be constituted the only pilotage authority in the district. Evidence has been submitted against any change hinged mainly on the idea that it might be as well to leave things alone, in case the change resulted in a worse condition. Such an idea carried into ordinary everyday life would mean the standing still of business. However necessary the corporation was fifty years ago, it has outlived its usefulness and should give place to a more modern system.

Mr. SPEAKER: I would call the hon. minister's attention to the fact that it is laid down by Bourinot that when a motion is made for leave to introduce a Bill it is permissible to explain it clearly and succinctly, but not to debate it, as it seems to me the hon. gentleman is doing. It seems to me that on one or two occasions before, as well as on this present occasion, the hon. minister has taken the opportunity of dealing with the report of a commission and discussing it in connection with the introduction of a Bill. That

appears to me to be going beyond the usual procedure or proper practise.

Mr. HAZEN: I was asked by the right hon. leader of the Opposition to explain the Bill, and was endeavouring to do so plainly and succinctly; but in order to explain it clearly and succinctly I thought it necessary to make a reference to this report of the commission, because it is on the report of the commission that the Bill is founded. I had almost concluded and shall take but a moment longer.

Captain Adjutor Lachance, President of the Pilots Corporation, who was a member of the commission, submitted a minority report dissenting from the recommendation for the abolition of the corporation.

After having given the above recommendation my very best consideration I have come to the conclusion that it is neither necessary nor desirable to carry it out in its entirety. The Act that is recommended for abolition confers other powers on the corporation than those alluded to, and, having regard to efficient administration and control, there does not appear to be any reason to interfere with them. It is considered sufficient to withdraw from the corporation the power to examine, license and control pilots, and to confer on the minister the power generally to control and manage all pilotage matters in the district to the same extent and in the same manner as obtains in the Montreal-Quebec district. The power to organize for mutual protection and improvement of their conditions, conferred by the Act of Incorporation, is a very desirable one, and if withdrawn by this Parliament could be obtained from the provincial legislature of Quebec. Equally desirable is the provision made by which a 'pilot fund' is established for the benefit of retiring members of the corporation. This fund at the present time is invested and managed subject to supervision by my department. No evidence has been adduced to cast even the slightest suspicion on the management by the corporation of this fund in the past. Holding these views I am unable to agree with the recommendation of the commission in this respect; but by the introduction of this measure I am seeking to comply with the substantial part of this report in its entirety. Thus we leave the Pilotage Corporation still in existence to discharge other duties, power to discharge which is conferred on it by the Act of 1860.

[Mr. Speaker.]

Mr. EMMERSON: The patronage is taken over by the Government.

Mr. HAZEN: The management is taken over by the Government.

Mr. SPEAKER: I would say, with regard to this patricular Bill and the practice introduced in connection with it, that I hope it will not be taken as a precedent to be followed in other cases, because I can only say that it would not be done with the consent of the Speaker, as it is in my judgment irregular. It is not explaining the provisions of the Bill, but debating the need for the Bill and the conditions which have led to its introduction.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 162, respecting Saskatoon and Hudson Bay Railway Company.—Mr. Carvell.

Bill No. 163, to incorporate the North American Accident Insurance Company.—Mr. Baker.

Bill No. 164, respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—Mr. Weichel.

Bill No. 165, respecting the Western Dominion Railway Company and the Alberta Pacific Railway Company.—Mr. R. B. Bennett.

Bill No. 166, to incorporate the Farnham and Granby Railway Company of Canada.—Mr. Baker.

Bill No. 167, to incorporate the Cornwall and Hawkesbury Railway Company of Canada.—Mr. Alguire.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

TECHNICAL EDUCATION.

Mr. MACDONALD:

Does the Government intend to take any steps at this session to assist in the extension of the advantages of technical education in Canada, or in carrying into effect the recommendations of the report of the Technical Education Commission?

Mr. DOHERTY: The whole subject has been under careful consideration and has been taken up with the Governments of the different provinces. The House will be duly informed of any legislative action which may be contemplated.

QUEBEC HARBOUR WORKS.

Mr. LEMIEUX:

1. Has the attention of the Government been called to the following item which appeared in the Quebec Telegraph of April 15, in regard to the works in the harbour of Quebec: 'Mr. S. George Boswell, chief engineer of the Quebec Harbour Commission, has just returned from a six weeks' trip to the old country. The object of Mr. Boswell's trip was the inspection of the new apparatus for the Quebec harbour, now under construction on the other side. This includes a crane, a dredge, a floating grain elevator and a service boat. The fifty ton crane is being built by a well known Glasgow firm, and the dredge, which is of the ladder pattern, is being constructed in the same place by Wm. Simons and Company. The service boat, which will be a 125 foot, 1,000 h. p. craft, built on similar lines to the tug Sir Hugh Allan, used by the Montreal Harbour Commission, is being built by the Smith Stock Company, of Middlesboro, as is the floating grain elevator. The grain elevator, when completed, will be capable of taking a load of 35,000 bushels and will be able to load in about four hours. All the new purchases are expected out here in the month of June, and with the exception of the crane, all will cross the Atlantic on their own steam. The crane will probably not be assembled until it arrives in Quebec.'

2. Has any of that expenditure been authorized by the Department of Marine and Fisheries?

3. (a) Have any tenders been asked from any of the Canadian firms for any of the above proposed works? (b) If so, from what firms?

4. In what papers have such advertisements for tenders been published?

Mr. HAZEN:

1. Yes.

2. Yes.

3. (a) Yes. (b) The Polson Iron Works, Toronto; Bosse and Banks, Quebec; Mussens, Ltd., Montreal; G. T. Davie, Lévis; Allis Chalmers, Toronto; Canadian P. O. Mitchell Company; Collingwood Shipbuilding Company.

4. Tenders were not invited in the public press.

ST. LAMBERT RETAINING WALL.

Mr. LANCTOT:

1. Is the Government or the Minister of Public Works aware that the late Administration caused stone to the value of $5,000 to be carried on either side of the road between the town of Laprairie to the high lands of St. Lambert?

2. What part of that stone already paid by the department has been covered by other stone carried there by the present contractors?

3. Was the retaining wall, for a length of more than 700 feet, built with that stone under the late Government?

4. Has the minister given orders to the district engineer to charge to the new contractors the cost of said stone, which is there and belongs to the Government?

Mr. ROGERS:

1. Yes.

2. All of it is placed in the work.

3. Partially.

4. Based on unit prices, the present contractors will only be paid for the portion of the work they do and the material they supply.

INDIAN HARBOUR LAKES POSTMASTER.

Mr. SINCLAIR:

1. Who is the present postmaster at Indian Harbour Lakes, Guysborough county, N.S., and when was he appointed?

2. What was his remuneration for the year ending December 31, 1913?

3. What were his proceeds from postage stamps at that office for 1913?

Mr. PELLETIER:

1. William Riley, jr.; appointed 1st June, 1909.

2. $43.25.

3. $71.05.

SPANISH SHIP BAY WHARF.

Mr. SINCLAIR:

1. On what date was work started on the public wharf at Spanish Ship Bay, N.S.?

2. Is the wharf completed?

3. What is the value of the material at present on hand?

4. If the work is being done by day work, who is foreman?

5. What remuneration has been paid to the foreman?

6. If there were other foremen employed, what is the name and remuneration of each?

7. How much has been spent on the wharf up to this date?

8. On what date does the department estimate this wharf will be completed?

9. Who is the inspector and what remuneration has he received?

10. If the wharf has not been completed, why not?

Mr. ROGERS:

1. Only materials purchased, 1913.

2. No.

3. $625.

4. Arthur McKinlay.

5. $80 per month, amounting to $115.38.

6. None other.

7. $300 spent in fiscal year 1913-14.

8. This depends on when appropriations are available.

9. None.

10. Could not be completed last year, because timber could not be delivered in time and vote available then was not sufficient.

GOVERNMENT STEAMERS WINTER SERVICE.

Mr. MACDONALD:

How many tons of coal were supplied to the Dominion Government steamers Earl Grey and

Minto, respectively, at Pictou, during the past season while on the winter service?

Mr. HAZEN: The quantity of coal supplied the Earl Grey and Minto, from the 28th November to the 28th February, is as follows: Earl Grey, 2,947½ tons; Minto, 947¼ tons. No accounts have yet been received for March.

Mr. MACDONALD:

1. How many tons of freight were loaded on board the Dominion Government steamers Earl Grey and Minto, respectively, at Pictou during the past winter service season?

2. How many tons of freight were delivered at Pictou by the Dominion Government steamers Earl Grey and Minto during the past winter service season?

3. What was the amount paid at Pictou for labour in connection with the said boats during months of February and March last?

Mr. HAZEN:

1 and 2. Earl Grey: Loading coal, 3,934¾ tons, loading and discharging freight, 7,137 631/2000 tons. Minto: Loading coal, 1,909 tons; loading and discharging freight, 2,649 461/2000 tons.

3. $4,386.25.

THE CANADIAN MENACE.

*Mr. PROULX:

1. Have the Prime Minister and the Postmaster General received a copy of the following resolutions which appeared in the Montreal Gazette of the 25th April, 1914, as having been adopted at a recent meeting of the County Lodge of Montreal Loyal Orange Association:—

'Resolved,—That this Montreal County Lodge of the Loyal Orange Association, having learned of the action of Hon. Mr. Pelletier, Postmaster General, in prohibiting the Canadian Menace being sent through the mails, views such action with alarm and feels that if such action is allowed to pass, other periodicals may also be banned; be it resolved, therefore, that this County Lodge protests against the action of the Postmaster General as encroaching upon the liberty of the subject as well as the press, and calls upon all Orange lodges in the Dominion to pass similar resolutions.

'Further resolved, that copies of this resolution be sent to the Right Hon. Mr. Borden, Prime Minister; Hon. L. P. Pelletier, Postmaster General, and the local members of the federal Parliament.'

2. Has the Canadian Menace been granted the use of the mails? If so, since when?

Mr. PELLETIER:

1. Yes, and it has been answered as follows:

Postmaster General, Canada.
Ottawa, April 27, 1914.

Sir,—

I have duly received your letter of the 25th instant, with reference to the privileges of the mails having been withdrawn from The Menace.

In reply, I beg to give you the departmental reasons for the action taken in regard to this publication.

[Mr. Macdonald.]

The transmission by mail of letters, newspapers, etc., is authorized and permitted under a law which is known as the Post Office Act. A special department has been created over which the Postmaster General presides, and its duties and business are clearly defined.

Under that law, which is equally binding on both you and me, as Canadian citizens, the Post Office Department becomes the carrier for the transmission of correspondence and for all matter defined as mailable, but for nothing else.

That law gives to the citizens the right to use this mode of transmission for their correspondence and newspapers, provided they pay the statutory postal rates, but this statute imposes upon the Postmaster General a clear and well defined duty.

This duty is to follow and obey the law which has created the Post Office Department and the regulations which are based on the law.

What do we find in the law and in the regulations? In clear and unequivocal terms, they oblige the Postmaster General to consider as non-mailable matter and consequently to exclude from the mails:

1. Explosives and dangerous substances.

2. Letters upon the outside or upon the envelope of which there are words, devices, etc., tending to injuriously affect the social or commercial standing of the persons addressed.

3. Letters and circulars concerning illegal lotteries or other similar enterprises.

4. Communications concerning schemes and devices, intended to deceive and defraud the public.

5. Pamphlets containing recipes or prescriptions with the pretended object of procuring abortion, etc.

6. Publications, matters or things of an indecent, immoral, seditious, disloyal or scurrilous character.

These duties are imposed upon me. Can I shirk them for the reason of free speech which you allege?

I am sometimes told (because we often exclude some of these prohibited things, most of them being French publications of an obscene character) that I should allow such matters to pass through our mails and then bring criminal action.

In the first place, I have nothing to do with criminal proceedings. This is another remedy placed in other hands. This other remedy is cure. The one imposed upon me is prevention, and we all know that an ounce of prevention is worth a pound of cure.

At all events, the law and the regulations do not tell me that I should institute criminal proceedings after the fact. It enjoins upon me the obligation to act before the fault is committed, in order to prevent these things from passing through our mails.

You have a right to say that the law and regulations are bad. They may be good or they may be bad; but they have existed for many years. They have been applied very often and have always been considered very good and proper. So long as they exist they must be obeyed. Am I right or wrong in this?

Public censors are by law authorized to prevent immoral and indecent plays from being put before the public. In this case, the Post Office Act makes of the Postmaster General a

censor of what will or will not go through the mails.

When I decided, under the Parcel Post Act, that intoxicating liquors should not be allowed transmission through the post offices, I received many congratulations, but some dealers told me I was interfering with the liberty of commerce. To-day I stop dirt and filth from being disseminated in Canadian homes. Shall I be told that the principle of alleged free speech should in this case supersede the law of the land?

As I have no doubt that you will agree with me on the above, let us come now to the question as to whether I have used my powers at a fair and legitimate moment.

There are two papers called The Menace. One is sent to Canada from Aurora, Missouri, and it requested the privileges of the mails for a Canadian edition to be published at Aurora, Ontario. This application was made in the usual course to my deputy minister, Doctor Coulter, who requested that the publication should be submitted to him, as is usual in such cases. He came to the conclusion, without the least hesitation, that this paper published immoral, indecent and scurrilous things and he refused it the privileges of the mails. The Menace came out with flaming head-lines denouncing this and declaring—Doctor Coulter is a Protestant—that his action has been dictated to him by the 'hierarchy' and 'the Pope of Rome.' The matter was then brought to my attention. I looked through the paper and came to the conclusion that Doctor Coulter's action was right and proper, and I upheld it.

The question was put in Parliament as to the reasons for the action taken. I answered the question on the 2nd April by putting on 'Hansard' a memorandum prepared by Dr. Coulter, a copy of which I beg to enclose for your perusal. The newspaper men being anxious to see the text of this memorandum, I supplied them with as many copies as they required. I took care not to exclude the quotations made by the deputy minister to justify his action. Most of the newspapers on both sides of politics published the memorandum but every one of them, if I mistake not, omitted the quotations, and they informed me that they did so out of respect for their readers.

Members of Parliament, after reading those quotations in 'Hansard,' suggested that it would be more proper to have them expunged. This is the kind of thing I am now told should be distributed in the Canadian homes in the name of free speech. Some of the communications which I have received in that respect are accompanied by several kinds of threats. My answer is that I will obey the law and fulfil my duty whatever the consequences may be.

So much for the American Menace.

As to the Canadian Menace, the proprietor was told that the same rule would apply. The publishers came out with a leading article in large type acknowledging that we were right and undertaking not to publish this kind of obscene and immoral literature in future. They were told that the ban would be lifted, but, if they did not keep their promise, the privileges of the mails would be withdrawn from them.

Unfortunately, the question of religion and race has again been raised here as is so often done in our country by people who want to appeal to prejudices for their own selfish purposes, but there is no question of race and religion in this matter. There are several papers enjoying the privileges of the mails which constantly indulge in religious and controversial recriminations, both from a Catholic and Protestant point of view. There are others which are at the same time anti-Catholic and anti-Protestant, and which pretend that Catholics and Protestants are all imposters. I have one of these papers before me at this moment and amongst other things I find the following:

'Of all manner of shameless imposters are the "Christian" priests and preachers who profess Christ and follow Paul, knowing as they must, unless they are ignorant of history, for it is a historical record, that Paul was repudiated by the early Christians.'

I do believe that Protestantism and Catholicism will survive this.

If I were to forget that I am Postmaster General for all Canadians, Protestant and Catholic alike, and if I were so bigoted as to think of excluding Protestant newspapers from the mails, there are others than the Menace which would be much more worthy of my attention in this respect, but the law does not say that a newspaper will be excluded because it is strongly Catholic or strongly Protestant, and consequently, I have no right to bar any of them from the mails for that reason. The law and regulations do say, however, that no newspaper, Protestant or Catholic, will be obscene, immoral or scurrilous, and it does not seem to me possible that you and I, as Christian gentlemen, should disagree in a matter like this.

Hoping that the above will satisfy you that the course taken by this department was the only proper one under the circumstances, I remain, dear Sir,

Yours truly,
(Sgd) Louis P. Pelletier.

C. E. Irwin, Esq.,
Secretary Lorne L.O.L.,
155 Rozel Street,
Montreal.

2. The facts as to the Canadian Menace are fully given in the letter just read.

THE LIGHTSHIP HALIFAX.

* Mr. LEMIEUX:

1. Where was the steam lightship Halifax 19 built?
2. Have any tenders been called for?
3. Were any Canadian firms asked to tender?
4. How many tenders were received, from whom, and what was the amount in each case?

Mr. HAZEN:

1. In the yards of Bow, McLachlan & Co., Ltd., Paisley, Scotland.
2. Yes.
3. Tenders were publicly invited in the Canadian newspapers.
4. Four tenders were received as follows: Bow, McLachlan & Co., Ltd., Paisley, $127,384.82; Ferguson Bros., Port Glasgow, $149,649.79; Polson Iron Works, Toronto, Ont., $159,750; Hawthorne & Co., Ltd., Leith, $131,399.99.

CRIMINAL CODE REVISION.

Mr. LEMIEUX:

Is it the intention of the Government to appoint a commission to revise the Criminal Code? If so, when?

Mr. DOHERTY: The matter is under consideration.

CHARLOTTETOWN-CRAPAUD MAILS.

Mr. J. J. HUGHES (Kings):

1. Were tenders invited for carrying the mails between Charlottetown and Crapaud, P.E.I.?
2. If so, how many tenders were received, and what was the amount of each tender?
3. Who were the tenderers, and was the lowest tender accepted? If not, why not?

Mr. PELLETIER: There is no mail courier from Charlottetown who travels as far as Crapaud. Tenders have not been invited for a service between the two places.

PRINCE EDWARD ISLAND DREDGES.

Mr. J. J. HUGHES:

1. How many tugs are employed in connection with the Government dredges in Prince Edward Island?
2. What are the names of these tugs, by whom are they owned, and what is the tonnage and horse-power of each?
3. How much does each receive per day?

Mr. ROGERS:

1. During last season four tugs were rented.

2 and 3. Tug, Wm. Aitken; owner, W. H. Batt; $35 per day; 51 tons; 38 h.-p. Tug, Fred M. Batt; owner, Island Tug Co.; $25 per day; 38 tons; 14 h.-p. Tug, Islander; owner, Island Tug Co.; $25 per day; 37 tons; 16 h.-p. Tug, Victor; owner, J. W. Kinch; $15 per day; not registered.

GASPE AND BAIE DES CHALEURS STEAMSHIP COMPANY.

Mr. MARCIL:

Who are the shareholders, directors and officials of the Gaspé and Baie des Chaleurs Steamship Company, Limited, the company which is to perform the service between Montreal and Campbellton under contract with the Department of Trade and Commerce?

Mr. G. E. FOSTER: The Department has no information. The contract is not yet signed.

NEW RICHMOND RURAL MAIL.

Mr. MARCIL:

1. Has the rural mail service been inaugurated at New Richmond, Quebec?
2. Who has been given the contract for carrying the mail, who were the tenderers, and what are the figures of their tenders?
3. If service has not been inaugurated, what is the cause of the delay?

[Mr. Hazen.]

Mr. PELLETIER: The tenders were considered too high and the department is endeavouring to obtain lower offers.

ROBITAILLE POSTMASTER.

Mr. MARCIL:

Who is postmaster at Robitaille, Quebec, and when was he appointed?

Mr. PELLETIER: Mr. J. T. Dagneau; appointed March 12, 1912.

BAY ST. PAUL MAIL SERVICE.

*Mr. LEMIEUX:

1. Has the mail contract between Bay St. Paul and Murray Bay, county of Charlevoix, been awarded?
2. If so, to whom, and at what price?
3. How many tenders were received?

Mr. PELLETIER:

1. Yes.
2. To Louis Bouchard at $1,775 per annum.
3. Eighty-two.

RAILWAY ACT AMENDMENT.

On the Orders of the Day being called:

Mr. BORDEN moved:

That the names of Messrs. Carroll and Sutherland be added to the Special Committee to consider Senate Bill B-2, intituled an Act to consolidate and amend the Railway Act, and that a message be sent to the Senate to acquaint their honours therewith.

Motion agreed to.

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. BURNHAM: I rise to a question of privilege. In the Evening Telegram of April 28 it is stated in very large type, accompanied by what purports to be a photograph of my humble self, that I quitted the caucus yesterday because I was not in support of the Government proposal regarding the Canadian Northern railway. I am in support of the Canadian Northern railway proposal, and there is no warrant whatever for the Telegram's statement.

GOVERNMENT RAILWAY CLAIMS.

On motion of Hon. J. D. Reid, Bill No. 122, to amend the Government Railways Small Claims Act, was read the third time and passed.

WAYS AND MEANS—THE TARIFF.

The House again in Committee of Ways and Means, Mr. Blondin in the Chair.

On resolution 3, and the proposed amendment thereto of Mr. Loggie:

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Chairman, I was somewhat surprised last evening when several members on the Government side of the House appeared to treat this resolution with a good deal of levity. I was also a little surprised, I confess, to find that the Minister of Finance, who has always hitherto given a good deal of consideration to any question discussed in this House having reference to his department, and who is generally courteous to members of the House, apparently did not think that the subject was of importance. I therefore think the members and the minister himself are not seized of the merits of the question. It is an important matter for the Maritime provinces generally; for New Brunswick particularly, and still more for Prince Edward Island. The facts are that portions of New Brunswick, portions of Nova Scotia, and the whole of Prince Edward Island are particularly well adapted for the production of potatoes. It is also a fact that in the neighbouring republic there is but a small portion of that immense territory well adapted to such production. There are only ten states, and these lie along the Canadian boundary, that grow potatoes at all as a farm crop. These ten states comprise very much less than a quarter of the total area of that country. And there is only one state—and only a portion of that—which seems to be well adapted for the growth of potatoes.

Mr. EDWARDS: Which one is that?

Mr. HUGHES: The state of Maine. The particular portion of the state of Maine which is well adapted for the growth of potatoes is Aroostook county. It naturally follows that there is an immense market in that country for potatoes; and if we of the Maritime provinces, especially we of the province of Prince Edward Island, had free access to that market it would be of immense advantage to all of our people. That the cultivation of potatoes is most profitable where the cultivators have access to the markets of the United States can be proven in two or three ways. One way is this: I have already stated that there is but a portion of the state of Maine as well adapted as the Maritime provinces are to the production of potatoes. Farm lands in that particular portion of the state, Aroostook county, sell for from $80 to $100 an acre, while farm lands in other portions of the same state quite as well adapted to the growth of other crops sell for from $25 to $40 an acre, showing that where natural conditions are

4 p.m. favourable, potatoes are the most profitable crop that the farmers of that state can produce. Further than that—and it naturally follows from it—the farmers in Aroostook county, as a class, are the most prosperous in the United States. The average production of potatoes in the ten states where potatoes can be grown under fairly favourable conditions is only 90 bushels per acre. In the state of Maine, taking the whole state, the average figures are 177 bushels per acre; but in the particular portion of the state that is best adapted to the growth of potatoes, the average production per acre is 275 bushels. Now, we have sometimes been told—I heard it stated last night by hon. members on the other side of the House, who perhaps thought they were making a correct statement—that we do not send our potatoes to the province of Ontario; and we are asked why. For the simple reason that there is no market there for them, no steady market, and the transportation charges are so high that we cannot send them there. The province of Ontario is somewhat similar in climate and in soil to the province of Prince Edward Island, and I think, under ordinary conditions, produces enough potatoes for her own use. The same is true of the other provinces of Canada, but it is not true of the United States. More than thirty states in the American union do not produce anything like enough potatoes for their own use. There is, therefore, in the United States a steady market offering fairly remunerative prices all the time; and a steady market is just as important, if not more so, than a market that offers a high price at one time and a low price at another. In order to carry on his business successfully the farmer must be within reach of a market for his products at a reasonable price; otherwise he does not care to produce anything for export. As I have already pointed out, we can never be assured of that market in Canada. When we in Prince Edward Island have an abundant crop of potatoes, even upon a small acreage, generally they have at the same time a good crop in New Brunswick and Nova Scotia; and, although Nova Scotia does not produce enough potatoes for its own use, if we have an exceptionally large crop we can easily glut the market there, and the price goes so low that it does not pay the farmer to produce the crop.

Mr. EDWARDS: What is the annual potato production of the three Maritime provinces?

Mr. HUGHES: Even under present circumstances, when there is no great inducement to the farmer to pay particular attention to the growing of potatoes, we can easily produce 250 bushels to the acre. In Aroostook county, in the state of Maine, where they give special attention to the growing of potatoes, they produce 275 bushels to the acre.

Mr. EDWARDS: What is the aggregate production of Prince Edward Island?

Mr. HUGHES: I cannot give the total production, but I think that in 1912 something over 7,000,000 bushels were produced, on about 30,000 acres. That could be easily doubled or trebled. On 70,000 acres in Aroostook county the production was about 18,000,000 bushels. If we had access to a fairly profitable market, we could easily produce 20,000,000 bushels of potatoes in Prince Edward Island.

I want to point out one special advantage the farmer has in producing potatoes. It has been said that the continuous production of wheat exhausts the soil; for that reason the growing of wheat has sometimes been called the mining of the soil. The growing of potatoes or other vegetables can never exhaust the soil, for the reason that the soil must be well cultivated and tilled every year in order to produce a good crop. After a good crop of potatoes has been produced on any soil you can get from that soil almost any crop you wish to grow, particularly clover, which is a very valuable crop, enabling the farmer to feed his stock and enrich the soil at the same time. No part of Prince Edward Island is far from the sea, and an abundance of sea manure which is especially valuable for the growing of potatoes, can be obtained for nothing. We have the advantage of a friable soil with natural drainage, a cool climate—no great heat and no extreme cold—the very best conditions for the growing of potatoes. But the farmer cannot largely engage in the production of potatoes, for which the soil and climate are specially adapted, because he is shut out of an adequate market for his products. The hon. member for Red Deer (Mr. Clark) suggests that the decrease in our population can be traced to this circumstance. I have no doubt that it can, because the more prosperous the people are, the more inclined they will be to remain on the farm. The hon. member for Northumberland (Mr. Loggie) has moved an amendment which is at present before the committee—an amendment which appears to me to be a most reasonable one. It merely asks that the duty on American potatoes coming into this country be taken off when the embargo on Canadian potatoes going into that country is removed. If it is a good thing for us to have a free exchange of potatoes with the United States, then it is surely a good thing for us to try to have the present embargo removed. I say here—and I think I can prove it to the satisfaction of every member of this committee—that the duty on American potatoes entering into this country is not and cannot under existing conditions be of any appreciable advantage to the farmers of Canada.

Mr. SEXSMITH: Then why did the Liberal Government raise the duty from 15 cents to 20 cents?

Mr. HUGHES: The reason was, I presume, that at that time the United States had a duty of 25 cents a bushel against Canadian potatoes, practically a prohibitive duty; and if we could not have reciprocity in trade we could at least have reciprocity of tariffs. Now the conditions are entirely changed. The United States now has a duty of 10 per cent against Canadian potatoes, a very small duty indeed. Under the reciprocity agreement we were offered free potatoes. Canadian growers of potatoes will never again have such an offer made to them.

Mr. SEXSMITH: You admit that the duty was beneficial to the farmer at that time.

Mr. HUGHES: No, I do not.

Mr. SEXSMITH: Then, why did you raise it?

Mr. HUGHES: Because, if the hon. member has followed my argument and if there is anything in it, I have proved that the price of potatoes in the United States must, generally speaking, be higher than in Canada, except perhaps during June, July and August, when we have not potatoes to supply our own needs.

Mr. BEST: Why is it that in a country where so many potatoes are produced there is not an abundance of potatoes in July, when they command a good price?

Mr. HUGHES: Is the hon. gentleman a farmer?

Mr. BEST: Yes, sir, I am a farmer who grows potatoes.

Mr. HUGHES: If the hon. gentleman is a farmer he will know that, except under extraordinary conditions, potatoes will not keep the year round, and that at the time I have mentioned they are hardly fit for use. The removal of the duty would not hurt the farmer, but would be of considerable advantage to the city dwellers—artisans, mechanics and others—who want potatoes at that particular season of the year. I do not suppose that the adoption of this amendment by itself would lead to the removal of the embargo placed upon our potatoes entering the United States; but it could possibly do no harm, and it might have this effect, that by it we would at least show our willingness to trade with the American people in this product upon equal terms. It might be construed as a friendly Act. The very fact that we keep a duty of 20 cents a bushel against American potatoes, while they are ready to take off entirely the duty upon our potatoes entering their market might, on the other hand, be considered an unfriendly Act.

Mr. SEXSMITH: Are they ready to take off the embargo?

Mr. HUGHES: The embargo was placed upon our potatoes because it was shown to the American authorities that Canadian potatoes were diseased.

Mr. HENDERSON: Do you believe that was correct?

Mr. HUGHES: I do not know whether it is correct or not. This I do know, that an official of this Government went to Washington last year in the month of December and told the authorities that our potatoes were diseased.

Mr. WRIGHT: Will the hon. gentleman give the name?

Mr. HUGHES: Dr. Gussow.

Mr. WRIGHT: After the embargo went on?

Mr. HUGHES: That was at the very time that the American authorities were considering the subject—on the 17th or 18th of December last. Dr. Gussow, an official of the Canadian Department of Agriculture, went to Washington and told the people there that Canadian potatoes were diseased. I think it was an unnecessary and unfortunate statement. There may have been disease, but surely it was not part of our duty to tell the American people so. I do not think there is any disease that would warrant the United States in placing an embargo upon potatoes grown in Prince Edward Island, but I suppose they could not discriminate between the provinces. My reason for holding that opinion is that I find this article in one of our local papers, which shows that the American Consul at Charlottetown took steps to show to his Government that there was no disease except the ordinary rot in Prince Edward Island potatoes. The statement is as follows:

> In regard to the potato embargo which is receiving so much attention at present it will be interesting to our people to know that Mr. Wesley Frost, American Consul, a few days ago, sent a report on conditions here to his government at Washington. He had made a careful study of the situation and informed the department in his report that the Island potatoes were affected only by dry rot and wet rot, and that they were free from the diseases specified in the Department of Agriculture's report. This favourable statement regarding the Island potatoes by Mr. Frost should certainly have an effect with the authorities.

Mr. BURNHAM: How would it be if they quarantined New Brunswick potatoes?

Mr. HUGHES: I do not think the question is at all pertinent; I do not understand the hon. gentleman. In view of what Mr. Frost, the American consul at Charlottetown, is doing and has done, according to this report, I am surprised to find that the legislature of the province, which prorogued a few days ago, did not do anything to second Mr. Frost's efforts or to help him show that the potatoes grown in Prince Edward Island were free from disease. I think that was a great oversight, and the local Government could not have been engaged in a more important work.

The hon. Minister of Agriculture (Mr. Burrell) being present, I wish to say to him that if there be disease in our potatoes in the Maritime provinces, and particularly in Prince Edward Island, he would be justified, if it were necessary in devoting the whole attention of his department to the eradication of that disease. He could not be engaged in a better or more profitable work. But it is not necessary for him to devote all his attention to that. I would like to know if the hon. Minister of Agriculture is seized with the importance of the subject and intends to put forth every effort he can, if disease there be, to stamp it out and to show the American people that we have no diseased potatoes in this country. It is most important to us in many ways. We send potatoes in fairly large quantities from Prince Edward Island to the Cuban market, and if the idea went

abroad that our potatoes were diseased, there is a possibility that we would be shut out from the Cuban and West Indian markets as well. It is very important that this matter be taken hold of with energy and determination. If disease there be, it surely cannot be of such a character that it cannot be stamped out.

I see some hon. gentlemen on the other side of the House who want to treat this subject with levity. We cannot raise a question in this House, I am sorry to say, in which the farmers are deeply interested but hon. gentlemen on the other side of the House endeavour to treat it with levity and ridicule. If the manufacturers and the special interests came here, they would not be treated in that way; those who undertook to speak for them would not be so treated. These hon. gentlemen send over a picture which they think contains something that is funny. The little finger of the manufacturers appears to be thicker than the loins of the farmers in Canada, particularly with hon. gentlemen on the other side of the House who laugh so heartily. It is one of the British poets who says that it is the loud laugh that speaks the vacant mind.

This amendment appears to me to be reasonable. It is surely one that will commend itself to the favourable consideration of the Minister of Finance. I cannot for the life of me see any argument against it. The minister did not offer any argument against it last night. He stated that he did not, and I think it was because he had not given the subject any consideration. The amendment merely asks that we take the duty off American potatoes when the United States take the embargo off Canadian potatoes. If they do not take the embargo off, conditions remain as they are, and if they do take it off and allow us to trade with them freely in this article, are we prepared to reciprocate? Surely we are. If the Minister of Finance refuses to accept this amendment, the only conclusion is that this Government is unwilling to allow the farmers the advantage of the United States market for their potatoes. They have set up the fetish of protection, the golden calf, and they are afraid to touch it lest the whole fabric tumble. The Minister of Finance said something to that effect last night. He made this statement:

> Mr. Chairman, I take the position that we must negative this resolution as being inconsistent with the fiscal policy which I have announced in the Budget.

No matter what the merits of the particular question may be, no matter what advantage it may give to the farmers of the Maritime provinces, particularly to the farmers of Prince Edward Island, no matter what advantage it may give at certain seasons of the year to the city dwellers in Canada, if it touches the citadel of protection in any way it cannot be accepted by this Government. That is practically what the Minister of Finance said last night. If that is the attitude of the Government it is as well for the farmers of my province at least to know it, and I intend that they shall know it. I see my colleagues from Prince Edward Island here. I would like to know what these gentlemen think upon this subject. They know the advantage of the American market to the farmers of Prince Edward Island if we had a free exchange of potatoes, and I would like to hear them. I presume I shall. I trust that the Minister of Finance will reconsider the subject and will not dismiss it as lightly as he did last night. It ought to receive more consideration than he has given to it.

Mr. JOHN A. BEST (Dufferin): Mr. Chairman, I was delighted to hear the hon. gentleman who has just taken his seat (Mr. J. J. Hughes) speaking so strongly in favour of the farmers, who, no doubt, constitute the great majority of the people of the Dominion of Canada. But it is very strange that the business men and lawyers are so much interested in the farmers when the farmers say that these are the men who are raising the price of the produce to the consumer. Yet these middlemen stand up in this House and tell us what they are going to do for the farmers.

There seems to be a combine on the other side of the House to try to catch the farmer and the consumer at the same time. Last night these gentlemen opposite were talking, not in the interests of the farmer but in the interests of the consumer, and they deplored how the consumer had to pay $5 a barrel for potatoes in the summer, and they declared that if the duty were taken off, he would get them cheaper. But if the consumer gets cheaper potatoes, with the duty off, I would like these gentlemen opposite to tell me how that would affect the price of Canadian potatoes. The hon. gentleman (Mr. J. J. Hughes) seemed to know all about the time that potatoes came

in and how long they would keep, but I want to tell him that he did not know what he is talking about, when he made the statement he did. I live in Ontario where we produce as good, if not better, potatoes than are produced on the American continent. We have new potatoes on the 1st of July, pretty well north in the province of Ontario, and we have the potatoes of the previous year up to the 1st of August. These are facts that every farmer knows. There are many farmers in that province who plant from half an acre to two acres with early potatoes, which they are able to send to the market when potatoes are a little scarce, and there are people in the towns and cities who are willing to give a good price for a fancy article, which they like, when it first comes in season. If the duty were taken off at the very time hon. gentlemen opposite speak about, it would reduce the price, and then these farmers would not get for their potatoes anything like the price they do at the present time. There is no use in hon. gentlemen opposite trying to make the farmers of this Dominion believe that they are sincere, when they advocate taking the duty off farm products. I frankly admit that there are times in the year when the consumer would benefit by it, and every man who understands farming will be willing to admit that, but I do not believe that the workingmen and the mechanics in the towns and cities will take a chance of getting their potatoes a little cheaper, if they have in prospect the probability of losing their jobs, because if the duties were taken off all around they certainly would not get work as easily as they do at the present time. These gentlemen opposite might as well face the situation once for all, that they cannot talk about benefiting the producer and the consumer at the same time. There are times when probably both are benefited by protection, but not all the time. There is no county in Ontario more rural than the county of Dufferin, which I have the honour to represent, and I firmly believe that 98 per cent of the farmers of that county would advocate that the duty should be increased on farm produce coming from the United States into Canada. If the manufacturers of this Dominion want a duty on what they produce, why should not the farmers of Canada have protection on their products?

The hon. gentleman (Mr. J. J. Hughes) told us that the people of Canada made a mistake when they did not accept reciprocity, but my reply to him is, that there never was a greater insult thrown in the face of any people than was thrown into the face of the farmers of Ontario in respect to that reciprocity treaty. The truth is, that that treaty would have taken everything away from the farmer. If the farmer sent a load of wheat to the market he would have no protection, and he would have to sell it in competition with the wheat of the world. but if he took that load of wheat down to the mill, one mile out of the town, and had it turned into flour, and took that flour back home with him, made as it was from his own wheat, he would find there was a duty on flour and he would have to pay it. If he took a load of hogs, or of sheep, or of cattle, to the market, he had to sell them in competition with all the world, there being no duty on them while the farmer held them, but as soon as he went to the butcher shop to get meat, he had to pay a duty on it. Again, the vegetable grower would have no protection while he held the farm produce, but as soon as the canner got hold of it there was a duty on canned fruits and vegetables, and the consumer had to pay it. The facts are that the farmers stood to lose by it and the consumer gained nothing. The consumer does not want raw wheat, or live stock on the hoof, and there are more vegetables used canned than fresh, and while the farmer had to contend with a free market and sell his products in competition with all the world, the consumer did not get the benefit of what the farmer lost in the transaction. I am glad that the hon. gentleman who now presides over the financial affairs of this country has seen fit to protect the farmer, and I say that there never was a Budget brought down in Canada under which the farmers got a squarer deal than in the Budget submitted to this House this year by the Hon. Mr. White.

Mr. WM. WRIGHT (Muskoka): It is not my intention to deal with this matter at any great length, but I want to give a few figures. It would appear as if we were to have a re-hash of the old argument in favour of reciprocity from hon. gentlemen opposite. I, for one, would naturally have thought that it was so thoroughly discussed in this House and in the country in 1911 that we had heard the last of reciprocity for a long time to come. It appears, however, that we are to be afflicted with the same old arguments, which in my opinion

will be about as effective as they were in 1911. Touching the question of potatoes, it was represented to us during the reciprocity discussion in 1911 that the American market, with its ninety millions or a hundred millions of consumers, was a great market for our potatoes. During the discussion on that question, early in April, 1911, I took occasion, together with the hon. member for East Peterborough (Mr. Sexsmith) to visit the United States and to investigate for ourselves the actual conditions there, to find out whether that great market existed, and to what extent. Two of the agricultural products of Canada were specially dwelt upon by hon. gentlemen opposite as being fit subjects to find a market in the United States, namely, potatoes and hay. I went into the state of New York, where they told us hay was put upon the market at $22 per ton, and from watching the farmer sell the hay right off their wagons we found it sold in even large cities at $10 per long ton of 2,240 pounds. We were told at that time that potatoes were bringing one dollar and more per bushel in the United States, and we actually saw them with our own eyes sold out of the stores in the city of Watertown and other cities in the United States at forty cents a bushel. The same condition of affairs prevailed over a large part of the United States at that time, and it prevails over a considerable portion of the United States to-day.

The great fact remains that the United States is an agricultural country, that they produce in abundance all kinds of agricultural products that we produce in Canada, that they can supply all their needs, potatoes and wheat included, with the products we raise in this country and that they have abundance for export. One of the best authorities in the United States made the statement during the reciprocity agitation that the agricultural land of the United States was capable of producing a sufficient amount of agricultural products, potatoes and wheat again included, to feed a population of 311,000,000 people.

Mr. A. K. MACLEAN: They are not doing it.

Mr. WRIGHT: They are producing all they need at present and exporting large quantities, and if the hon. gentleman can name something they are not exporting I will be very pleased to hear from him.

[Mr. Wright.]

Mr. A. K. MACLEAN: That would not prove anything; they might be large importers at the same time.

Mr. WRIGHT: The facts are that while they do import certain tropical and semi-tropical products, which they do not produce in abundance in the United States, to the extent of about $500,000,000 annually, they are sending out of the United States over one billion dollars worth of agricultural products, and the products included in that vast export are of the quality and kind that we produce in Canada.

With regard to potatoes, it may not be out of the way to call the attention of the House to a few figures which I have taken from the trade and navigation returns for the year 1913. We made some exports, among other things potatoes. We managed to sell to that great American market, to those ninety million people, the grand total of 152,557 bushels.

Mr. CARVELL: What year was that?

Mr. WRIGHT: 1913.

Mr. A. K. MACLEAN: New Brunswick sold 50,000 bushels in three months last year.

Mr. WRIGHT: I am giving the figures from the Trade and Navigation returns.

Mr. A. K. MACLEAN: It was stated last night that the province of New Brunswick exported 50,000 bushels into the United States in October, November and December of last year.

Mr. WRIGHT: I cannot help what the hon. gentleman says; I am giving the figures from the Trade and Navigation returns. The hon. gentleman will find them on page 457.

Mr. CARVELL: I realize that the hon. gentleman wants to be fair about this matter. He is quoting the returns down to the 31st of March, 1913, and the duty was not taken off until the 3rd day of October, 1913. The potatoes to which my hon. friend from Halifax (Mr. Maclean) refers, were shipped after the duty was removed.

Mr. WRIGHT: On the 1st of April, 1915, we shall be able to give official figures in regard to that.

Mr. CARVELL: I have a return here which I am willing to show to my hon. friend.

Mr. WRIGHT: As I said before, the grand total export of potatoes to the United

States in 1913 was 152,557 bushels. To Cuba, which is only a dot on the map, we sold 567,105 bushels, or nearly four times as much as we sold to the whole of the United States during that year. To Bermuda we sold 50,862 bushels; to British Guiana, 58,145 bushels, and to the British West Indies, 49,907 bushels.

Mr. A. K. MACLEAN: Does the hon. gentleman admit that the situation is entirely different now, and that he is not discussing the matter on the proper premises ?

Mr. WRIGHT: I am discussing it on conditions that have prevailed for years, during which time the hon. gentleman was representing that market as the great market for the people of Canada. Conditions were not different in 1913 from what they were in the previous years.

In 1913, we bought from the United States —and hon. gentlemen opposite will admit that the fact of their lowering the duty cannot have any effect upon the quantity of goods they send into this country—$441,142,593 worth of goods last year, and we managed to sell to them $167,110,382 worth. When we are asked to make free goods coming from the United States, we should consider the whole proposition as to our trade with that country, and we ought not to forget that we are buying from the United States three times as much as we are selling to them. Before we consider enlarging the free list of Canada, we ought to take cognizance of the fact that we are making free to the people of the United States a class of goods that enables them to sell as large a quantity of goods free of duty to Canada as we selling to them all told. Surely we ought not to be asked to enlarge our free list. If the Americans really need the goods that are produced in Canada, they know how to get them: all they have to do is to remove the duty. It is a remarkable thing that, whenever we commence to sell any very considerable quantity of goods to the United States, something happens. Our potatoes became infected with scab or canker. We sold to them a large number of cattle last fall, and the Americans discovered that there was grave danger of disease. There is a Bill before Congress now, which will undoubtedly become law, providing that no further importations of cattle will be allowed into the United States without having them undergo the tuberculin test and also remain in quarantine for a certain length of time. That will have a nice effect upon the big steers that are going over to the United States from Alberta. Just imagine lassoing those wild steers belonging to our hon. friend the member for Red Deer (Mr. Clark), and getting them into that calm and quiet condition that will enable the tuberculin test to be applied. After you have spent some weeks in getting that accomplished satisfactorily, the cattle will have to stay in quarantine on the other side of the line for many weeks.

Mr. WARNOCK: What authority has my hon. friend for saying that there is such a Bill before Congress?

Mr. WRIGHT: The notice in regard to the Bill before the Congress of the United States is set forth in the Congressional Record.

Mr. WARNOCK: I have the authority of the Veterinary Director General of Canada for saying that he has received no notice of any such legislation.

Mr. WRIGHT: It has not passed Congress yet.

Mr. A. K. MACLEAN: Will the hon. gentleman say if that is an administration Bill or a Bill introduced merely by some member of Congress?

Mr. WRIGHT: It is a Bill which the Government of the United States is fathering if I understand the matter correctly, and a Bill that will in all probability pass in the very near future.

Mr. MICHAEL CLARK: Is my hon. friend a prophet?

Mr. A. K. MACLEAN: Will the hon. gentleman tell me what percentage of Bills pass in any one year in the United States Congress?

Mr. BLAIN: They put an embargo on potatoes, did they not?

Mr. WRIGHT: Let me draw the hon. gentleman's attention to one other feature with regard to our exports to the United States. Two or three years ago it was found that they were running short of raw material for certain kinds of leather, and they thought it wise to take the duty off certain kinds of hides. We commenced to ship some of those hides to our American friends; and they immediately discovered that there was danger of contamination and made a customs regulation that the hides should be taken out of the cars and fumigated and put in again. Those engaged in the business of exporting hides prayed the American authorities to put them back under the old conditions. The hon. gentleman will also remember a certain treaty

made with our American friends in which certain kinds of fish from the Maritime provinces were allowed to go into the United States free of duty. While they could not break the treaty they discovered that they could put a duty on the cans, and thus they shut out those importations. Certain manufacturers of this country attempted to invade the American market a few years ago and commenced to make a few sales; but they were immediately assailed by the American authorities under some plea or other; they were haled into the courts, and they were glad to get out with their lives at a loss of $20,000. Therefore, they will leave that market severely alone in the future.

The British manufacturer of agricultural machinery made the same mistake. When the American market was made free to them, they thought they would invade that market. Their goods are piled up in one of the coast cities—if they are not there now they were there for a considerable time—and they were forced to get out of that market by very much the same kind of treatment. The fact is, disguise it as we may, that the people of Canada, whether engaged in manufacturing or in agriculture, will not be allowed to get into the American market to any great extent. The Americans will find some means to prevent us from occupying that market, even if we could successfully do so under existing conditions.

Mr. OLIVER: Is trade between Canada and the United States increasing or decreasing?

Mr. WRIGHT: It may be increasing, but it is increasing because we are buying goods from them, not because we are selling them goods to any appreciable extent.

Mr. OLIVER: So my hon. friend wants to continue a condition under which we shall be less able to sell them goods?

Mr. WRIGHT: I say we will not be allowed to sell to any great extent.

Mr. CARVELL: The Minister of Finance says that our exports to the United States are increasing.

Mr. WRIGHT: Not to any appreciable extent. Our total sales to the United States hardly equal what we are allowing to come in from the United States duty free, and that is over one-third of our total importations from that country. Of course, where you have countries lying side by side along an imaginary boundary line of four thousand miles, there is bound to be a certain quantity of goods cross—even if they are only going through to some other country—hauled by the American railways, financed by their banks and giving employment to their people.

Mr. OLIVER: Do I understand that the hon. gentleman objects to our goods going across that way?

Mr. WRIGHT: I am not taking objection; the objection comes from our American friends. They say unless they are allowed to be the agents of Canada, unless their financial concerns do the business for us, unless we are willing to become 'adjuncts,' mere hewers of wood and drawers of water, unless we are prepared to take that ignominious position, we shall not be allowed to trade.

Mr. OLIVER: But the Finance Minister says we are increasing our trade with them.

Mr. WRIGHT: It may please the hon. gentleman to adopt that humble attitude, but some of us do not feel like getting down on our knees. Now, with regard to the question of potatoes, let me point out that there has hardly been a year for many years when if potatoes have not been very plentiful in some sections of Canada, they have been plentiful in other sections. Taking Canada over and the United States over, the prices for potatoes obtained by farmers in Canada have been as good as those obtained by the farmers in the United States. In the town where I live, I had the opportunity a few weeks ago of buying New Brunswick potatoes and paying $1.40 a bag for them. And they were fairly good potatoes,—they grow fairly good potatoes down there; I do not think they are any better than are usually grown in the district I represent. It is a very unusual thing for us to buy anything but local potatoes in the section from which I come; but during the early part of last season we were subject to a very severe drought, and the potato crop last year was very small indeed in our locality. In other parts of Ontario they had a fairly good crop. Prices have ruled high in Toronto, Hamilton, Montreal and other large cities, and I should think that in Montreal and Toronto, where hundreds of thousands of bushels of potatoes have been marketed, our New Brunswick friends and our Prince Edward Island friends would have found a market sufficient to absorb all their surplus crop of potatoes and afford them a fairly good profit upon their product.

I hope we shall not be subject to another

epidemic of talk on this 'ninety-million market.' But if our friends opposite desire discussion of that kind, we are prepared to meet them at any time, anywhere and under any circumstances; and the result will be the same as it was in 1911. I think they would be well advised to take up not more than a reasonable part of the time of this House in a discussion of this nature. For my part, I am quite prepared to support any legislation that will make for a better market for the farmers of Canada. But I want to be shown that it is going to be a better market. I am reminded of an incident that happened in the early settlement of the province of Ontario. Times were bad, and the people were hard pressed to make a living. One farmer who had got in early and had succeeded in getting a little property around him, had, among other things, a number of small pigs, which he kept in a pen not far from his shanty.

5 p.m. Two men who were hard pressed made up their minds that they would steal one of the pigs. Unfortunately for them, while they were deliberating and making their way to the place, a bear had got ahead of them and had devoured the pig. One of the men went in to secure the pig while the other remained outside to watch. After waiting for a time, the fellow outside said, 'Did you get him?' 'Yes,' answered the other, 'but he has got me and he is hugging me till he makes me squeal.' If our Canadian farmers did succeed in getting into the American market at the cost of throwing open the market of Canada, they would find that instead of getting the American market, the American farmer had got their market, and he would hug them till he made them squeal.

Mr. CARVELL: It is said that 'fools rush in where angels fear to tread,' and, with the full knowledge of the fearful responsibility that I am taking, and even in the face of the advice, almost threat, of my hon. friend from Muskoka (Mr. Wright), I must have a word or two to say, not on the reciprocity question, not on the tuberculin test on animals going into the United States, but on the question really at issue, the question whether something cannot be done to get access to the American market for the potatoes of the Maritime provinces—even if the people of Ontario do not want it. I congratulate the Minister of Finance (Mr. White) on the able defence that has been given him, for apparently he has decided without any further discussion that he will not consent to this resolution. I congratulate him on the defence and the exposition of the possibility of raising and selling potatoes coming from a gentleman representing a constituency that is so rocky, so worthless, that they have to import potatoes 1,500 miles from New Brunswick in order to get a few to eat. That hon. gentleman (Mr. Wright) must know a lot about raising potatoes; his constituents must be vitally interested in whether the people of the Maritime provinces sell their potatoes in the United States or in any other part of the world. If the gentlemen who defend the attitude of the Minister of Finance are farmers, what kind of people must they represent? What kind of farmers must there be in the constituencies of gentlemen who get up and suggest that the farmers should keep rotten potatoes in their cellars until the middle of June or the last of July? Hon. gentlemen are disposed to treat with levity anything which they realize is against their particular interests, but there is no use in trying to brush aside lightly the great question of a market for potatoes so far as the Maritime provinces are concerned. It is of no use to say that the question was settled by the defeat of reciprocity. It was settled for three or four years, but if hon. gentlemen think this question is settled for all time to come, they still have three or four thinks coming to them. An economic question will never be settled until it is settled right, and so far as potatoes are concerned this question was not settled right in 1911. I do not know whether my hon. friend is a farmer or not; I think he does not represent a farming constituency.

Mr. WRIGHT: I am a farmer and I represent farmers. I produce a great deal more than the average farmer in the province of the hon. gentleman.

Mr. CARVELL: Then, my hon. friend does not produce potatoes. He says we do not want to trade with the United States and the United States do not want to trade with us. I do not deny that they have been unfriendly; we are not all saints in this world and they are not all saints in the United States. They have done many unfriendly things with regard to their tariff, and I dare say they will do more unfriendly things. We have done unfriendly things with regard to our tariff, and probably we will do more unfriendly things; but

it does not follow that we ought not to trade with the United States if by doing so we can make money. The hon. minister showed in his speech the other day that in the eleven months ended February 28, 1914, we exported $161,000,000 worth of goods to the United States, and that in the whole of the previous year we exported only $150,000,000 worth. There was an increase of $11,000,000 in the eleven months; it would probably be $15,000,000 for the whole year. Yet hon. gentlemen say that we do not want to trade with the United States. The minister admitted that the increase resulted from the putting into force of the Underwood tariff. The very moment the tariff restrictions imposed by the United States were removed, the sale of Canadian goods in the United States markets commenced. There is not a farmer in the western portion of Ontario to-day who has not reaped the benefit of the new American tariff; he would not have sent his goods to the United States if he did not find there a better market. In the months of October, November and December of the year 1911, from the province of New Brunswick we shipped to the United States 2,992 bushels of potatoes, about three or four carloads. In the same months of 1912 we shipped 2,341 bushels; in the same months of 1913 we shipped 650,000 bushels. Why did we ship such an enormous quantity of potatoes from the province of New Brunswick to the United States in those three months ? Simply because the tariff wall was partly taken down. The new American tariff was announced in the month of March, 1913. The potatoes are planted in New Brunswick in the month of May; the people knew that there was going to be a great reduction in the tariff; they doubled their acreage and ultimately exported this large quantity of potatoes.

But the trade returns do not tell the whole story so far as New Brunswick is concerned. My constituency extends fifty miles along the border of the United States. The district of potato production extends twenty-five or thirty miles into the constituency of the hon. member for York, N.B., and fifty or seventy-five miles into the constituency of the hon. member for Victoria. Fifty or seventy-five miles of that territory is a thickly settled portion of the country, the farms extending right up to the boundary line. On the American side of the line there is a railway within two or three miles of the boundary; on the Canadian side there is a railway ten miles to the east. During that period the farmer living two or three miles from the boundary line, instead of shipping his potatoes in the ordinary way, hauled them across the boundary line, load by load, paid the duty upon them and sold them to American buyers. I have no doubt that 150,000 or 200,000 bushels of potatoes were shipped in this way out of my county in those three months, and do not appear in the trade returns. I could not attempt to picture the prosperity that existed in my county at that time. We doubled our acreage, we had a good crop, we had fairly good weather and we received fairly good prices. The price of potatoes per barrel at that season of the year was from 80 cents to $1.

Mr. WRIGHT: What is the weight of your barrel?

Mr. CARVELL: 165 lb. We got from $1.15 to $1.35 per barrel for our potatoes during those months. When the embargo went on, in the latter part of December, 1913, we were getting about $1.35 per barrel for our potatoes, and just across the boundary line they were getting 15 cents a barrel more than that; we were losing just the 10 per cent. But the conditions were simply splendid. Farms were bought and sold that never had been dreamed of before. I was one of the victims myself. I bought a $5,000 farm, believing I was going to be able to make money raising potatoes; but the embargo was put on, and I do not know what I am going to do with my farm. I made a wrong guess. Property appreciated 50 per cent, and in some cases even 100 per cent, in three months. But farmers would not sell their property because they believed that the conditions were such that they could make money by holding it.

I am willing to agree with my hon. friend (Mr. Wright) that there are many people in the United States who are not friendly when it comes to trade matters. I will admit that all the trouble about the embargo came right from our neighbours in Aroostook county. That is the greatest potato producing territory on the continent; 12,000,000 or 13,000,000 barrels of potatoes are produced in that one county, and we could produce exactly the same quantity in the same area of territory in New Brunswick if we had the market for them. As I said, it was not the enormous price, but it was the scope of the market that was such an advantage. Mr. McKane, a very large shipper of potatoes, told me that he had to telegraph and write and look up a chance to sell three or four carloads of

potatoes in Toronto; but the telephone would ring and an order would come from Boston: Can you ship me 25, 30, 40 or 50 cars. There was no limit to the market. It was only a question of getting the potatoes out of the fields, hauling them to the station and loading them on the cars. Had our farmers been able to get cars, instead of sending 600,000 or 800,000 bushels to the United States they would probably have sent twice that amount. Many farmers in Carleton county have in their possession carloads of fertilizers to be used this coming season. Each car means 15 or 20 tons at $40 a ton. Many farmers are spending $1,000 a year in fertilizer alone, and it pays them to do so. There are farmers in my county, who if the duty and embargo were removed, would this year spend $2,000 in fertilizer, and it would pay them. Gentlemen opposite who laugh at this do not know what they are laughing about. I suppose the hon. member for Dufferin (Mr. Best) plants three or four acres of potatoes and would call that a large crop, and I suppose that if the hon. member for Muskoka (Mr. Wright) had a patch of half an acre he would consider he was doing wonders. In my county, if we had that American market, each farmer would raise 20 acres. In the state of Maine 25 to 50 acres is quite common, and many farmers raise 100 acres of potatoes a year. If these gentlemen went down there and saw something about this crop, we would not hear the guffaws that we heard from a certain gentleman leaning over here against the wall yesterday and this afternoon. These hon. gentlemen would then know what they are talking about and they would not insult men who come here who do know what they are talking of. A little lesson in manners would do some of these gentlemen good. If they do not want to know the economic conditions of the country, at least they ought to be taught good manners. If they would go to the Maritime provinces and see fields of potatoes of twenty to forty acres grown under the most modern plans and conditions they would be surprised. The seed is cut by machinery, it is planted by machinery, cultivated by machinery, sprayed by machinery, and the potatoes are dug up by machinery.

Mr. BEST: Then expounded here by gas.

Mr. CARVELL: My hon. friend is welcome to whatever he can get out of that. I take that from the source it came and it is about equal to the source from which it came. It shows the mental and business calibre of the man who would make a remark like that and only brings it back to my suggestion that it must be a wonderful constituency that will send a man of that character here to represent them. As my hon. friend beside me says that constituency should be embargoed from the House of Commons of Canada.

Here is the position in which we find ourselves. I know of many farmers who have carloads of fertilizers in their buildings to-day for the purpose of planting potatoes this year on a large scale; but the embargo is on and these men dare not plant their potatoes. It is out of the question. A man dare not plant 25 acres of potatoes in New Brunswick to-day, because he does not know where he will sell them. We can sell a certain amount of potatoes in Quebec and Ontario. Some years it is more, some less. During the last two years we have sold a fairly good quantity. I would say that from my constituency we have sold 250,000 to 300,000 barrels in Quebec and Ontario. The moment the embargo went on the price went down to $1 a barrel or practically 40 cents a bushel, and that price has continued stationary to the present or until two weeks ago when they commenced to go up because large quantities were demanded for seeds. Within the last three or four days I think they are probably worth $1.25 a barrel but nothing like the price in November and December when we were selling to the American market. In Maine to-day you will find that the farmer is getting $1.75 to $1.80 a barrel for potatoes.

Mr. A. A. McLEAN: What would the duty on a barrel be?

Mr. CARVELL: The duty on that barrel to-day if we could get them in at all would be about 12 or 15 cents.

Mr. A. A. McLEAN: The difference would be more than the duty.

Mr. CARVELL: Yes, but we are prohibited from sending our potatoes there because there is an embargo. I am only showing the conditions on the other side of the line. Potatoes are worth, say, $1.25 to-day, or they have been for the last week or so, they have been a dollar all winter but on the other side of the line they are worth $1.75 to $1.80.

Mr. MORPHY: Is the embargo fair?

Mr. CARVELL: I will discuss that in a few moments. I will not skip the embargo, because that is the real object I had in rising to my feet. In New Brunswick an

average farmer can raise five acres of potatoes and get rid of his product at some price in Quebec or Ontario. We also sell something to Cuba. I have a return which I obtained from the Department of Customs and I will send it over to any of my hon. friends who wish to see it. It will be seen that we have sent a few New Brunswick potatoes to Cuba—last year not very many, only about 50,000 or 60,000 bushels, and the year before about the same. Four or five years ago we sent a great many more. The Government of Canada granted a subsidy of $25,000 a year to a line of steamers sailing from St. John to Cuba for the purpose of trying to find an outlet for our potatoes and the Government of New Brunswick did something towards that object also. They established a warehouse in Cuba and also a warehouse in St. John. Everybody has realized that the great problem in New Brunswick, in so far as agriculture is concerned for the last five or six years, has been to find a market for these potatoes. We realize that once you give us a market there is no end to the production; we could raise ten times the amount we produce today if we could get a market. We tried to find a market in Cuba but this has been somewhat of a failure. We have to send forth the potatoes over a thousand miles by sea to a tropical climate and when we get there we find that there is a potato trust which is big enough to squeeze out every person who does not pay tribute to the trust. The result is that the effort has been almost a total failure. We cannot send potatoes to Europe because they are cheaper there than they are here. Therefore, we are circumscribed down to what we can do in the Dominion of Canada alone and there is just a certain limit beyond which we cannot go. There is no use producing more than we can find a market for and we cannot find a market unless we can get it in the United States.

During the summer of 1913 it became known that the American duty was going to be greatly reduced, if not entirely removed. The potato-growers of Maine are a very influential body of men and one of the brightest lot of farmers that I suppose exists on the continent of America to-day, men, who I am satisfied, are the richest class of farmers that you can find in America, a class that have grown so wealthy raising potatoes on exactly the same soil as we have that every other farmer in the States rides around in an automobile. It would do my friends from Ontario good to spend three or four days in Aroostook county in the state of Maine; it would be a revelation that they have never dreamed of. I am not here to praise up the state of Maine; I am only showing what we could have in the province of New Brunswick if we had the market to the south of us.

These people were just as narrow as some of our people were in 1911. They believed that the opening of the market of the United States to our potatoes would in some way affect them. They believed that we would produce potatoes enough to affect the American market. They may be right in that but I do not agree with them myself. I do not think they were as much afraid of the Canadian potatoes as of the European potatoes. It turned out that, just as soon as the duty was removed, potatoes went in from New Brunswick and also from other portions of Canada, but in certain quantities only as our powers were limited. We only had a certain quantity to sell. Potatoes came into the United States from Germany, Holland, Scotland, and, I think, from England. The growers of Maine organized themselves and determined to prevent potatoes coming in if they possibly could do so. They did not have to pass any law in the United States; they had a law already. I have forgotten what it is called but they had a law, the same as we have in Canada, which gave to the administration officials the power by regulation, as they call it—we would call it an Order in Council—to prohibit the importation of any diseased products. The potato-growers of Maine asked the United States Government to prohibit the importation of potatoes into the United States from all countries in which disease could be found. They claimed, and I do not think anybody denies it now, that there is an enormous amount of disease among German potatoes and there is also disease amongst the English and Scotch potatoes. They claimed that there was also disease in the Canadian potatoes. We found quite early in the season representatives of big American firms travelling through New Brunswick and examining our fields in order to see if they could find the existence of the disease which they called powdery scab.

Some of my hon. friends sent over here, I think in a jocular manner, a document which I hold in my hand. I will tell these hon. gentlemen that this is not a jocular matter in the province of New Brunswick. It is something which is issued by the Department of Agriculture here and for

which I give them every credit in the world, a publication which, I believe, will mean thousands and tens of thousands of dollars to the people of the Maritime provinces. This is another evidence that if my hon. friends opposite knew what they were talking about we would not have seen the exhibition that we saw here yesterday and that we have seen this afternoon.

They claimed that the potatoes in New Brunswick were affected by disease known as powdery scab. As soon as this was found out—I am only speaking now for myself—I wrote to the department and told them that these agents were travelling through the province of New Brunswick trying to find this disease. I wired them, then I wrote them, then I wired them again and if you go to the Department of Agriculture you will find a great many communications from myself pointing out to the department what was going on. I am not saying that the department did not exercise reasonable precautions but I do not think that they became seized of the importance of this question. I asked the department to send agents all over the province of New Brunswick to investigate our potato fields and see if this disease did exist and, if it did not exist, to be in a position, when the matter came up in Washington, to prove that it did not exist. If I have any fault to find with the Government, or the Department of Agriculture, it is that they did not take the advice which I offered them, advice which was very much in their interest and which dealt with a question of almost life and death to the business interests of my constituents. It was announced that a meeting would be held at Washington on the 18th of December to discuss this matter and on that date the discussion took place before the Secretary of Agriculture for the United States. There were representatives from Germany, Holland, Belgium, England, Scotland and Canada. It is only with the Canadian side of the matter that I propose to deal.

Mr. BLAIN: Was that before or after the embargo was put on?

Mr. CARVELL: That was before. This was a meeting held after the potato-growers of the state of Maine had asked their government to impose the embargo. The Dominion Government was represented by the Deputy Minister of Agriculture, Mr. O'Halloran, who, I do not think, pretended to know very much about it. I do not say it offensively because he did not go there professing to know much about the question. Canada was also represented by Dr. Gussow, the technical gentleman of the department, who may be eminently qualified—I do not know, I am sure. However, he was there. I must say that the report which I got from friends of mine who were present was not altogether complimentary to the doctor. They thought that he knew a great deal more about the technical and scientific side of the question than about the practical side.

Mr. BLAIN: He is the author of the document which my hon. friend has in his hand.

Mr. CARVELL: Yes; I am saying that he spent a long time in giving a very learned discourse upon the technical side of the disease, but I do not think he knew as much about the practical side of it. However, I am not here to throw any mud at anybody; I am trying to give the facts to the House and I want to see if something cannot be done to reinstate us in our former position.

Mr. BURNHAM: What effect will the abolition of the duty have upon European importations?

Mr. CARVELL: The resolution of my hon. friend from Northumberland (Mr. Loggie) does not ask for the abolition of the duty.

Mr. BURNHAM: That is unfair, that is rank, that is absurd.

Mr. CARVELL: My hon. friend (Mr. Burnham) is entitled to his opinion, but he will have a chance to talk later, and he can go over in an aeroplane if he wants to, and bring a cargo of potatoes back to Canada. The province of New Brunswick was represented at that meeting by the provincial Deputy Minister of Agriculture, and the potato dealers were represented by Mr. Guy Porter, of Porter and Manzen, Limited, which I think is the largest potato-jobbing firm in the Maritime provinces. The matter was argued very thoroughly. There were about three hundred representatives from different parts of the United States, all asking the department to prohibit the importation of potatoes on account of the disease, and the information which had been collected by these gentlemen was placed before the Secretary of Agriculture and they established that there was a disease in New Brunswick potatoes. I am not sure, but I think there was also some evidence given, that there was disease in Quebec potatoes, but I do not think there was any evidence given as to disease in Ontario or Prince

Edward Island potatoes. The result was that some six or seven days afterwards an order went forth imposing an embargo on the importation of potatoes from any country in which disease was known to exist, and as they claimed that this disease was known to exist in Canada the importation of potatoes from Canada was prohibited. I understand that the terms of the order were such that the United States could exclude from its operation any province or provinces of Canada in which the disease did not exist, and therefore I believe that the province of Ontario could be excluded from the operation of the order, if the people of Ontario desired it. However, we cannot have New Brunswick or Quebec excluded. It would be in the interests of the producers, at least in Prince Edward Island, if an attempt were made to have the embargo removed with respect to potatoes from that province. I know that at present New Brunswick cannot get the embargo removed until we can convince the American authorities that our potatoes are free from disease.

Mr. MORPHY: Does the hon. member consider that the embargo by the American authorities on New Brunswick potatoes was a fair dealing between the American people and ourselves?

Mr. CARVELL: Yes, I do. If the American authorities are honestly convinced of the existence of disease in our potatoes, I think it is a perfectly fair and justifiable proceeding on their part to prohibit their importation. In reference to that, I wish to quote from this morning's Citizen.

Mr. WRIGHT: When the matter was investigated by the United States committee, was it found that American potatoes were diseased?

Mr. CARVELL: In the first place, the producers in the state of Maine were responsible for the imposition of this embargo, and they brought it about purely from a selfish motive, believing that if they could prevent the importation of potatoes from any part of the world it would enhance the price of their potatoes, or at least it would prevent the price being reduced. These people sent their agents through our province, and they claimed they found, —and I do not say they did not,—evidence of this powdery scab. I have never yet seen in New Brunswick a potato exactly looking like the potato shown in the document issued by the Department of Agriculture and said to be afflicted with powdery scab. I do not raise potatoes, and the scab may exist in New Brunswick and I might not know it, but I have discussed the matter with potato-growers and potato merchants, and while some believe it does exist, yet nine out of every ten in the province of New Brunswick will contend that it does not exist. It is a moot question. Nobody yet has ever been able to convince me that the scab does exist, and yet if the American authorities say they have evidence of it, I would not feel like saying they have not. However, I have great doubt that this disease exists in New Brunswick. To continue with the history of the matter: other portions of the United States got busy as well as Maine, and their contention is that if the powdery scab existed in New Brunswick, which is right alongside of Maine, it was reasonable to expect that the powdery scab existed in the Maine potatoes as well. As a result of this, some two or three months ago a big delegation went from the county of Aroostook to Washington and they had a pretty bitter fight over it, and in the end a regulation was promulgated by which inspectors were put at every shipping point in Maine. Every carload of potatoes shipped from the county of Aroostook during the last two or three months has been inspected, and the inspector puts his seal upon the car, and if he finds what he thinks is scab or any other disease, he gives a certificate that these potatoes shall be used only for food purposes, because everybody knows that this disease does not render the potato poisonous. But, if the inspector finds that the scab or any other disease exists, he prohibits these potatoes from being used for seed purposes. In explanation of this it is necessary to understand that one-half of the potato output of the northern portion of the State of Maine is used for seed purposes in the south, and not for table use. It is contended that potatoes grown in the south will not reproduce as well as potatoes grown in the north, and the result is that no person will use southern potatoes for seed, if he can get northern grown potatoes. The New Brunswick potatoes would be used for seed purposes in the south, as are the potatoes grown in the state of Maine. I rather felt like chiding the Minister of Agriculture for not trying to have some such regulation as that which prevails in Maine applied in Canada. But even this rigid inspection did not satisfy the potato growers of other portions of the United States.

They claimed that if the disease existed in the state of Maine, that state ought not to be allowed to disseminate it throughout the rest of the United States. They have been making another move. I find in this morning's Citizen the following despatch from Washington:

> Washington, April 28.—Federal quarantine against Maine potatoes, effective August 1, next, has been declared by the Department of Agriculture, it was announced to-day, because of the prevalence of powdery scab. After August 1, no common or Irish potatoes can be shipped out of Maine except under regulations of the Department of Agriculture.

That ought to convince even such a skeptical gentleman as my hon. friend from Muskoka (Mr. Wright) that these people in the United States at least have some belief in the course of action which they are taking, and that it is not all for the purpose of being unfriendly to the potato growers of the Dominion of Canada. It is so easy for a man to twist the tail of the lion when he goes around the lodges in some of the back country districts that, when he comes to the House of Commons, he forgets that he is not on his native heath; he forgets that in the Parliament of Canada his arguments do not altogether fit in with conditions. I think that is the case with my hon. friend from Muskoka. He believes that every man in the United States is born with hoofs and horns, and that his sole object in life is to be unfriendly to the British Empire. We do not believe that; I do not believe it for a moment. In my judgment, the people of the United States are the shrewdest, brightest commercial people in the world; I give them credit for being the greatest successes in the commercial enterprises of the world, and I am willing to admit that they are probably as selfish a class of people as will be found anywhere. I do not want to paint the picture whiter or blacker than it ought to be. They are shrewd, enterprising people; they are looking to the interest of the American people every time, and they will never allow themselves to come second, if possible. I think I have correctly protrayed the condition of affairs that existed at that time. I see only one ray of hope in this whole question, which is that evidently the United States Department of Agriculture does not intend absolutely to prohibit the export of potatoes from the state of Maine into the rest of the United States, if we believe this despatch to be correct, because they cannot be shipped except under certain regulations of the Department of Agriculture. I want to know why our Minister of Agriculture cannot take advantage of that olive branch, and see if he can not in some way have those regulations applied to Canada. I do not believe there is any disease in the potatoes from Prince Edward Island. Do not be afraid to approach the United States Government; they will not bite, nor kick, nor do anything like that. They may not give you the best end of the trade; but I think we have long since fought out all this nonsense about the 'two flags,' 'under which flag,' and all that sort of rubbish. Let us get down to business. The people of the United States have shown that they are not half as bad as my hon. friend from Muskoka thinks they are. They have taken the duty off our cattle, our hogs, our sheep, our lambs; they have cut in half the duty on our hay, and they have reduced the duty on our barley. They say: The moment you take the duty off your wheat, we will take it off ours, and they say the same thing with regard to potatoes. They have held out the olive branch to us in a greater degree than has ever happened before in the memory of any hon. member. They want to trade with us. I admit that the people of the state of Maine do not want to trade with us in so far as potatoes are concerned; but I believe that the President, the Government and the great majority of the people of the United States want to trade with us in so far as potatoes are concerned. I believe, however, that they have an honest intention of trying to prevent the spreading of disease throughout their country. If they believe that this disease exists, how can we find fault with them for trying to prevent it from spreading? Believing that the people of the United States want to trade with us, I cannot see anything derogatory to the dignity of the Minister of Agriculture, or of his Government, or of any government, or of any official of any Government of Canada in going to the United States and seeing if some arrangement can not be made whereby our potatoes can be admitted into the United States under the same regulations under which potatoes are admitted from the state of Maine. We have found scab in New Brunswick and in Quebec; and they have found scab in the state of Maine. I know that for the last two months they have been allowing potatoes to be shipped from the state of Maine under certain regu-

lations; and, as I read it, they are going to continue to do so. Why cannot we go to Washington and see if we can make a trade by which our potatoes can go in under the same regulations? I do not think that that is humbling ourselves in the dust or doing anything derogatory to the dignity of Canada, or of Canadians, or of good Britishers, as our hon. friends like to call themselves. It is only the real, hard practical problem of life, of trying to do business with people with whom you can do business and of making a dollar when you are doing it.

I want to give the Minister of Agriculture credit for issuing this document, which is not entirely new to me. I wish to tell my hon. friends opposite, who think that I am sometimes hardly fit to represent a constituency in this House, that there has been a good deal of confidence existing between the minister and myself during the last four or five months over this question. The first day I came to Ottawa in the beginning of this session, I placed a resolution on the Order Paper to discuss this question. My hon. friend the Minister of Agriculture thought it possibly might not produce any good result; he came to me like a gentleman and I met him in the same spirit. The result has been that I have never opened my mouth in regard to the potato question during the present session. If my hon. friends could realize what the potato question means in my constituency, they would probably feel that I had exercised a good deal of restraint when I refrained from making any remarks or from taking any part in any discussion regarding it. Hon. gentlemen opposite should not think for a moment that I have not been constrained to do so. I have on my desk to-day 200 letters from my best supporters in my county asking: Why do you not say something about this potato question? Why do you not do something in order to have this embargo removed? But I believe that the minister is working along lines which he thinks are correct, and I will give him credit for being square about the matter until I know to the contrary. He has now published this document, which my hon. friends sent over to the hon. member for Kings (Mr. Hughes) with so much gusto, and thinking they are perpetrating a practical joke upon him by sending him a document showing pictures of diseased potatoes.

Mr. HENDERSON: Copies of this document are in the post office for every member. There is no insult in the matter.

Mr. CARVELL: I am quite aware that they are in the post office; but there is no doubt about the motive of the hon. gentleman who has sent it over here. One of my hon. friends from Ontario must have sent it; no other man would do such a thing.

Some hon. MEMBERS: Order.

Mr. CARVELL: That does not apply to the whole of Ontario. There are only about half a dozen members from that province who would do such a thing. If we go on, we will get down, by the process of exclusion, to the right man.

I want to compliment the Minister of Agriculture on the work he is doing. He has promised me that copies of this document will be spread broadcast throughout the province of New Brunswick, and I hope every farmer in the Maritime provinces will have a copy of this document placed in his hands. There is a lot of valuable information in it.

Mr. MARCIL: Are they going to be distributed ?

Mr. CARVELL: I was told so about a month ago by the Minister of Agriculture. I am satisfied that the minister will carry out his word; that they will be distributed, and that the people of the Maritime provinces will be able to see what a diseased potato looks like.

Mr. SEXSMITH: Would the hon. member please give the total production of potatoes in New Brunswick?

Mr. CARVELL: I am not in a position to do that. But I can tell him that in the three upper counties of Victoria, Madawaska and Carleton, there would be somewhere in the vicinity of 1,000,000 barrels, three-quarters of which would be from my own county, the county of Carleton. I am safe in saying that 3,000,000 bushels of potatoes were raised in my own constituency last year. So, hon. gentlemen can see what an enormous thing it must be. For we have only a population of 21,000 or 22,000, and we do not devote all our time to raising potatoes either.

Mr. A. K. MACLEAN: What quantity could the county raise?

Mr. CARVELL: It could raise six, or eight, or perhaps ten times as many potatoes as it does to-day, and we would do it if we had the market in which to sell them.

At six o'clock Committee took recess.

Committee resumed at eight o'clock, Mr. Blondin in the Chair.

Mr. CARVELL (resuming): Before the committee rose at six o'clock I was endeavouring to point out what I understood to be the history of the United States embargo upon our potatoes. When this matter was first brought up in the month of December last there was a disposition on the part of certain persons in the province of New Brunswick—I mention the province of New Brunswick especially because that province was more deeply interested in the matter—to treat this as a political matter. We have all through the western part of the province of New Brunswick what is called the Potato Shippers' Association, which is composed of two dozen gentlemen who are in the business. They held a number of meetings in the month of December and, as I say, there was a disposition on the part of a few of the shippers, and on the part of some of the officials of the local Government, to treat the question as a matter of politics. It was not long before we heard the same old cry that went up during the reciprocity campaign: we do not want the American market anyway; it is no good to us—arguments similar to those advanced by the hon. member for Muskoka this afternoon. A meeting was held in my home town, attended by the shippers, by representatives of the local Government and by a representative of the federal Government in the person of Dr. Gussow, whose name has been mentioned here on two or three occasions. Representatives of the press were excluded from the meeting; I know not why, but they were told that their presence would not be desirable. When the question arose of trying to have this embargo removed and to obtain again access to the United States market, Dr. Gussow told the people to send their potatoes to Saskatchewan, where there was a good market for them; that they need not bother their heads about the American market. They told Dr. Gussow, in language so plain that it could not be mistaken, that he simply did not know what he was talking about; one gentleman told him that the transportation charges upon potatoes sent to Saskatchewan would be twice as much as the potatoes were worth. Mr. B. F. Smith, who was my opponent in the last election contest, and who probably will be my opponent again, was chairman of the meeting. It is true that during the campaign of 1911 Mr. Smith argued as strongly as possible that the home market was all that we needed and that the American market was no good, but on that occasion—and for this he is entitled to a great deal of credit—he told the people that the American market was the only natural market for our potatoes and that we would have to get that market in order to succeed and prosper as we should in the province of New Brunswick. From that day to this the question has not been mixed up with politics. It is on account of the attitude of the people of my province, both Liberal and Conservative, that I have taken the course I have in not bringing this matter before the House during the present session. I have taken that course not only because I wished to do whatever was in the best interests of the people, but because I believed that the Minister of Agriculture as well was sincere in trying to work out these interests and very largely at his request I have refrained from saying anything on the subject. I think that hon. gentlemen on this side have demonstrated to the committee that this is a matter vitally affecting the people of the Maritime provinces; vitally affecting the whole of Prince Edward Island, the western portion and, to a considerable extent, the whole of the province of New Brunswick, the whole of the Annapolis valley in the province of Nova Scotia, and the eastern portion of the province of Quebec. It is the most important question affecting our trade and commerce to-day; it is the most vital question affecting the prosperity of that portion of Canada which I have mentioned. It is too big to be mixed up with political discussions and it is because of the intense interest which every member representing constituencies in the Maritime provinces must have in this matter that we have placed it so plainly before our skeptical friends opposite from Ontario. I have tried to eliminate politics from my presentation of the case; we are not bringing the matter forward from a political standpoint. Rightly or wrongly, the Americans consider this matter as of some importance, because when they were framing the Underwood tariff they took exactly the same course with regard to potatoes that they did with regard to wheat and wheat products; they made potatoes free to all countries that did not exact a duty upon like products. As we exact a duty upon potatoes coming from the United States into Canada, we must pay the duty of 10 per cent which the United States has imposed on our potatoes. I do

not believe the American producer will send a bushel of potatoes into Canada, if they are made free, that he does not send now, because he sends potatoes to Canada now only in those seasons of the year when we are not producing them. On those occasions we buy them from the southern states, and will continue to buy them from the southern states no matter whether the duty is taken off them or not. Evidently however, the Government of the United States think differently, because they have insisted that potatoes shall not be allowed to go into the United Sates from Canada free of duty unless we impose no duty upon potatoes coming from the United States into Canada. That being the case, it seems to me that we cannot with very good grace enter into negotiations with the United States with a view to obtaining the removal of this embargo unless we first comply with the terms of their tariff and remove the duty.

The burden is on us to do something, and I believe that if the Parliament of Canada will remove the duty on potatoes coming from the United States into Canada, we shall then be in a position to go to the United States and ask to have the embargo against our potatoes removed. I confess that I have no inside information on that subject; I have no authority for making the statement; I am only giving my judgment. I have lived alongside United States people all my life, I have known a great deal of their business relations, and I think I know the potato business as well as any man in Canada. I know how the Mairtime provinces people feel about it. I have tried to tell the committee the considerations which animated the people of the United States in imposing this embargo.

Mr. BLAIN: Does my hon. friend not think that the Government of the United States placed the embargo on at the request of the United States farmers as a protection to their market from the Canadian potatoes going into the United States?

Mr. CARVELL: To some extent, no doubt.

Mr. BLAIN: I say that for the reason that it has been very generally stated in this House that the embargo placed by the British Government on Canadian cattle is kept there as a protection to the producers of cattle in the United Kingdom.

Mr. CARVELL: I think there is no doubt about that to some extent, but I think that the demand came altogether from one portion of the United States. I have some information as to the real inside working of the placing of this embargo, but I do not think it would be wise to communicate it to the world. I can say without any breach of confidence that it all arose on account of the action of certain politicians in the state of Maine alone. I do not believe that the President or the Government or the great majority of the people of the United States are now as anxious to have this embargo kept on as a matter of trade protection as they are as a matter of protection from disease. I do believe, from the conduct of the United States Government, that the great body of the authorities in the United States to-day believe that it is necessary that this embargo should be maintained to some extent as a matter of protection against disease. I think it has reached that point, and the burden is on our Government to eradicate that idea from the minds of the United States authorities. I believe we should first show our good faith by removing the duty. I have no fault to find with the Minister of Agriculture, except that I do not think he moved rapidly enough in the beginning. I think he failed to realize the importance of this matter at first. Perhaps when I commenced sending letters and telegrams to him he may have thought that I was playing the game of politics, but I know that later on he received telegrams and letters from other people, his own political friends, whom he could not charge with playing the game of politics. I do not think that sufficient energy was displayed in the initiation of this matter in October and November of last year. Since then the minister has become thoroughly seized of the importance of the situation, and I believe is trying to do everything he can to overcome the existing difficulties. I believe that if you could convince the minister personally that the embargo could be removed by our removing the duty, he is sincere enough to vote for that; and I do not believe that he or any other reasonable man in the House can feel that the removal of the duty would cause any injury to the Canadian producer.

Just what can be done I am at a loss to know. I only argue from the premises which we have before us. I find that the United States are now treating the state of Maine just as they treat New Brunswick, having placed an embargo on its

potatoes. That serves the people of Maine very well right. The growers of that state are getting a little of their own medicine, and if they had to do this over again I do not think they would take the selfish course they did last summer. However, they took it, and they are now paying the penalty as well as we are. The people of Maine will now use every possible effort to have the embargo removed as against their potatoes, and I think the same methods which will be used by the people of that state might be used by the Government of Canada to secure the removal of the embargo against New Brunswick potatoes. Therefore, the first duty of this Government is to approach the United States Government to ascertain the true situation to-day—to ascertain whether or not every province in Canada really comes under the embargo, and whether they cannot have the embargo removed as to those provinces which are not affected or about which they have no evidence of the existence of the disease; then, as to the provinces about which they claim to have evidence of the existence of disease, to see if the potatoes from those provinces cannot enter the United States under rigid inspection. If the disease exists it is necessary to take all steps to eradicate it, and I believe that the minister is giving the best advice possible to the farmers along these lines. If the disease exists it will take some time to eradicate it. But remember that every farm is not inoculated with this disease; it is only claimed that in the county of Carleton, the great potato-producing country, the disease exists in a few spots within six or eight miles from a small town. The difficulty is that the whole county is tabooed because of the existence of the disease in a few places. Then, it is only claimed that the disease has been found in one or two places in York county; in one place in Kings, twenty-five or thirty miles above St. John; in one place in Victoria; but not at all in Madawaska. It seems to me that if the United States Government are willing to allow potatoes to be sent out of the state of Maine under rigid inspection, we might arrange with them to allow us to send our potatoes under the same inspection. It is true that it means a good deal of difficulty, the appointment of inspectors and so on, and we of course would have to pay the United States inspectors; but that is a mere bagatelle in comparison with the enormous proportions of this great industry. I can only say again that, in the first place, we must remove this duty in order to be in a position to approach the United States Government. When that is done we can ask the United States Government to allow our potatoes to pass in under the same inspection as those of the state of Maine.

My hon. friends opposite must admit that I have not approached this question from a party standpoint. I am trying to impress on the Government and the committee the enormous importance of this great industry in my constituency and province and the eastern portion of Canada. I accept the arguments put forward by the hon. member for Northumberland and the hon. member for Kings, P.E.I., as showing conclusively that the removal of this duty will not in any way hurt the Canadian producer of potatoes, while in many cases it will help the Canadian consumer.

Believing as I do in the correctness of their proposition, and knowing as I do the importance of this industry to our country, I feel that the Government can, without any degradation to itself, and without any loss of national dignity, approach the United States as with a business proposition, and see if something cannot be done to allow our people to go on, do business and prosper, as they might have done if this embargo had not been imposed upon them, and as, to some extent, they have done in the past; because we find ourselves in a very much worse position to-day than that in which we were placed before the American tariff was reduced. When the American tariff was in existence it was possible, under some circumstances, to send some potatoes over there, notwithstanding the fact that the tariff was almost prohibitive. The year 1912 was the time of the potato famine in America. We were sending potatoes from New Brunswick even into British Columbia. Shippers could pay the transportation charges from New Brunswick to British Columbia and then pay the farmer $1.50 to $1.75 a barrel for his product. The same famine existed in the United States, and I find from the returns that in the month of March, 1912, we sent to the United States from New Brunswick 11,000 odd bushels; in April we sent 83,000 bushels; in May, 1913, we sent 28,000 bushels, and in June, 36,000 bushels in the face of a tariff of 25 cents a bushel. This shows you that when

the market was open we could do some business, and there was some outlet for our farmers even although they could not make very much money out of it. Now, with the embargo on, these men are in a very much worse position than they were before. I am pointing this out to the minister to show the calamity which threatens the people of the Maritime provinces and the national necessity that everything possible should be done that can be done to get us access to that market so that our people may go there, do business and grow up and prosper as they ought to be allowed to do.

Mr. J. W. EDWARDS (Frontenac): The hon. member for Carleton (Mr. Carvell) began his remarks by quoting the words 'fools rush in'—leaving the rest to be inferred, and immediately proceeded to give us a demonstration of the truth of that in so far as he was concerned. If the hon. member for Carleton had addressed himself to this subject in a non-partisan way, if he had not been actuated by any other motive than the desire to obtain for his province what he believes would be in its interest, I think he might very well have left unsaid many of the remarks which he made. I did not see that the hon. member for Muskoka (Mr. Wright) had, in his remarks, said anything which warranted the hon. member for Carleton in addressing him in the disrespectful manner in which he did address him. Neither was he justified in speaking as he did of the hon. member for Dufferin (Mr. Best). In his Chesterfieldian way he spoke of that hon. gentleman's mental and business capacity and he asked: What kind of people must they be who will send a man like that to represent them in Parliament? I do not believe that even the worst Grit in the county of Dufferin would send a man to Parliament like the hon. member for Carleton. Even in their wildest moments I do not believe they would make such a selection as that. What call was there for referring to my hon. friend from Muskoka in the way in which my hon. friend did refer to him, and for saying that they had talked of these things in the lodges on the back concessions? What had that to do with the motion before the Chair? Could anybody imagine the hon. member for Carleton being a member of any lodge? I could not. I do not think the hon. member for Carleton could become a member of any lodge or any association of men which was gathered together as a lodge, council, court or anything of the kind. If the hon. member for Carleton ever occupies any position at all in a lodge of any kind, it will be a position, I fancy, in which he will not require much decoration; that is to say, that of the goat.

It is idle for the hon. gentleman to say that he is not actuated by any political motives in his remarks here to-night. Fancy the hon. gentleman for Carleton addressing himself to any subject in this House in which he was not actuated by political motives! In referring, as he did refer, to different members from the province of Ontario he spoke in very discourteous tones of the class of people who inhabit the province of Ontario. The hon. gentleman forgets what the figures show in regard to his own province. If the hon. gentleman has the influence in the province of New Brunswick that one would suppose from his talk we would have expected very different results in the last election. I presume he talked potatoes in the election of 1911 and no doubt it was small potatoes too that he talked. His majority was reduced from 151 in 1908 to a very doubtful 11 in 1911. If the hon. gentleman had not made use of his fine legal knowledge and taken advantage of technicalities it is said that he would not have a seat in this House at all. The hon. member for Northumberland (Mr. Loggie), who also, I suppose, talked his potato ideas down in his county, had his majority reduced from 981 to 392. The hon. member for St. John city (Mr. Pugsley) had his majority reduced from 496 to 65. I suppose that he talked potatoes too. The hon. member for Westmorland (Mr. Emmerson) had his majority reduced from 1,385 to 64 and I presume he also talked about potatoes and the advantage it would be to the farmers of New Brunswick if potatoes were on the free list. I can only infer then that the people in different parts of New Brunswick—in these constituencies at least to which I have referred—had given this matter more thought and attention than their representatives had given it and had showed that they had given it more attention by the vote they gave in the election. The hon. member for Kings, Prince Edward Island (Mr. Hughes) stated there were only ten states on the other side of the line which grew potatoes to any extent, that really only one of these states, namely, the state of Maine, could be called a potato-growing state and that the United States was not adapted to the growing of

potatoes. The hon. gentleman is entirely wrong in making any such assertion.

Mr. J. J. HUGHES: I did not catch what the hon. member stated in the early part of his reference to me.

Mr. EDWARDS: I understood the hon. gentleman to say that the United States could not be regarded as a potato-growing country, that the state of Maine was the principal potato-growing state of the Union and that potato-growing in the United States was practically confined to ten states.

Mr. HUGHES: I said it was not a potato-growing country outside of the ten states along the Canadian boundary line.

Mr. EDWARDS: Of which you say Maine was the most important.

Mr. HUGHES: Yes.

Mr. EDWARDS: I want to take exception to that, and I think I can prove that the statement of the hon. gentleman is not correct. The state of Maine is not by any means the principal potato-producing state in the Union. I have here the statistical abstract of the United States for 1912, and at page 146 I find that the principal potato-producing state in the Union is New York, which produces 38,000,000 bushels.

Mr. J. J. HUGHES: From what is the hon. gentleman quoting?

Mr. EDWARDS: The statistical abstract of the United States for the year 1912, issued by the Department of Commerce and Labour, and the statement at page 146 is that the principal potato-producing state of the Union is New York, which produces 38,000,000 bushels, next comes Michigan with 36,750,000 bushels, next, Wisconsin with 34,920,000 bushels, next, Minnesota with 33,000,000 bushels, next, Pennsylvania with 28,885,000 bushels, next, Ohio with 20,000,000 bushels, next, Illinois with 14,000,000 bushels. To summarize, only six of the forty-eight states in the American Union produce less than one million bushels of potatoes annually, and twenty-five states of the American Union produce annually from five million bushels to thirty-eight million bushels each. The tables show a considerable fluctuation, and there is hardly any farm product that fluctuates as much as potatoes; one year a large crop, another year a small crop, as is proven conclusively, not only by the figures for the United States, but by the Canadian figures.

Mr. J. J. HUGHES: What is the average production in each of the states of the American Union?

Mr. EDWARDS: I am glad the hon. gentleman asked me that question, because it enables me to tell him he was wrong in another statement he made. The hon. gentleman said that the average was somewhere around ninety bushels to the acre, but allow me to tell him that he is entirely wrong there. The average yield per acre, for all of these states in the United States, is 113 bushels per acre, and it runs up as high as 198 bushels per acre. That is entirely contrary to what the hon. gentleman said. I am not giving any guess-work about this, I have given the information and the source whence I have obtained it, which purports to be an official document issued by the United States Government. I invite my hon. friend (Mr. Hughes) or anybody else to refute the figures I have given.

Mr. J. J. HUGHES: As the hon. gentleman has invited me, I suppose it will be all right for me to give him my authority for the statement I have made. I have here a statement prepared by Lawrence G. Dodge, an official of the United States Department of Agriculture, on the northern potato-growing states.

Mr. EDWARDS: For what year?

Mr. HUGHES: For 1908. He gives the average per acre for all of the United States as ninety bushels; the average in the state of Maine, 177 bushels, and in Aroostook county, 225 bushels per acre.

Mr. EDWARDS: I am not questioning the hon. gentleman's statement in regard to the yield per acre in the particular county to which he refers, nor am I questioning his statement with regard to the yield in the state of Maine, but the hon. gentleman is entirely illogical in taking a few selected states along the border and giving the average for these selected states, and assuming from an examination for one year of a few selected states of the Union, a figure covering the production of the whole of the United States, and drawing from that his conclusion that the United States is not a potato-producing country.

Mr. J. J. HUGHES: It is not my statement; it is the statement made by Mr. Dodge, an American Government official.

Mr. EDWARDS: The statement is made by Mr. Dodge, but the statement and the

hon. gentleman's conclusion are two different things.

Mr. HUGHES: My conclusion was drawn from the statement exactly as Mr. Dodge made it.

Mr. EDWARDS: Very well. We will follow the statement further and see what there is in it. In the first place, I very properly disputed his statement that Maine was the principal potato-producing state, by quoting figures to show that several states each produced more potatoes than Maine.

Mr. J. J. HUGHES: Not on the same area; they are larger states.

Mr. EDWARDS: Let us look at the product in some of these states; Maine produces 23,000,000 bushels, and the average price on the 1st of December, 1912, was 55 cents per bushel; New Hampshire produced 2,380,000 bushels and the average price was 61 cents per bushel; Vermont produced 3,640,000 bushels, and the average price was 55 cents per bushel; Massachusetts produced 3,380,000 bushels, and the average price was 75 cents per bushel. I am giving these states in the first place because they lie near the province of New Brunswick, and to show that there is a production in these four states of over thirty-two and one half million bushels, and the prices show that there is a difference in price in each state, as happens all over Ontario. Potatoes may be one price in Toronto, another price in Hamilton, another price in Woodstock; there is no commodity in which there is such variation in price. If you take the states of California, Washington, and Oregon, which if this resolution carried would naturally come into competition with British Columbia, you will find that they produce 11,000,000 and 10,000,000 bushels each, respectively, or a total of thirty-one and one half million bushels. The price in Oregon was 31 cents, the price in Washington 36 cents, and the price in California 65 cents, there being a difference between California and Oregon of 34 cents per bushel in the price of potatoes. Yet, there is no duty between those two states, which shows conclusively, as all the figures with respect to the matter show, that the price of potatoes is very largely regulated by local conditions—one week a dollar a bag, next week down to 75 or 80 cents a bag, as we all know.

Then, take the states which border along Saskatchewan, Alberta, and Manitoba. Surely those provinces should be able to produce not only enough potatoes for their own use, but potatoes for export. Those provinces, if this resolution should carry, would be thrown into competition with the border states of Idaho, Montana, North and South Dakota, Minnesota and Wisconsin. Those states produce pretty nearly 95,000,000 bushels of potatoes a year, and the price runs from 38 cents in North Dakota to 40 cents in Montana, which is the highest price per bushel in those states adjacent to the prairie provinces.

In Ontario, lying along the Great Lakes, we have the states of New York, Pennsylvania, Ohio and Michigan. These states border on lake Ontario, lake Erie and lake Huron. The production of potatoes in those states could be easily marketed anywhere along the shores of those lakes; they could be sent into the Georgian bay ports, into Fort William or into any other part of Ontario. Those four states produce 124,627,000 bushels of potatoes a year, and the price ranges from 41 cents in Michigan to 58 cents in New York. It is 50 cents in Pennsylvania and 53 cents in Ohio. Again, if we take those states bordering on lake Huron, namely, Indiana, Illinois, Wisconsin and Michigan, they produce 95,000,000 bushels of potatoes, the price ranging from 41 cents to 60 cents per bushel. It is all folly for the hon. member from Prince Edward Island (Mr. J. J. Hughes) to claim that the state of Maine is the principal potato-producing state of the Union. It is sheer folly for him to state that the United States, generally speaking, is not a potato-producing country. Let me give you the American production of potatoes for a few years, which will bear out my statement:

1907	298,000,000	bushels.
1908	278,000,000	"
1909	376,000,000	"
1910	349,000,000	"
1911	292,000,000	"
1912	420,000,000	"

You see the immense fluctuation in the production of potatoes: 292,000,000 in one year, and 420,000,000 bushels the next year. What would happen if we removed the duty and allowed these potatoes to come from the United States into Canada? When they had a large crop in the United States, they would undoubtedly swamp our market to the detriment of our farmers.

In the province of Ontario we produce an average of about 18,000,000 bushels of potatoes a year. Our production in 1911 was nearly 14,000,000 bushels. In 1912 we produced 21,000,000 bushels. Taking the

ten years from 1902 to 1911, our production averaged a little less than 18,000,000 bushels. Our price in 1911 was 84 cents, in 1912, 63 cents, and our average price for the ten years I have named was 51 cents.

Hon. gentlemen have stated that when the Underwood tariff came into effect potatoes went in much larger quantities to the other side of the line. Let us look into that for a moment. In 1909 Canada imported from the United States 127,000 bushels of potatoes. We exported to the United States that year 578,000 bushels. In 1910 we imported from the United States 217,000 bushels, and we exported to the United States 679,000 bushels. In 1911 we imported from the United States 445,000 bushels, and we exported only 22,000 bushels. In 1912 we imported from the United States 335,000 bushels, and we exported to the United States only 27,000 bushels. In 1913 we imported 459,000 bushels, and we exported 152,000 bushels. These figures, of course, are for the fiscal year. In three of the five years I have named we imported more potatoes from the United States than we exported to the United States. For five years the total imports amounted to 1,585,000 bushels, and the total exports 1,459,000 bushels—we imported from the United States 126,000 bushels more than we exported to the United States. These are figures which hon. gentlemen cannot successfully controvert. The hon. gentleman says: What about the export of potatoes since the Underwood tariff came into effect? I find that our export of potatoes to the United States, according to the figures published by the United States Government Summary of Commerce and Finance of the United States, December, 1913, on page 526, was as follows: In 1911, 1,542,289 bushels, of a value of $858,574; in 1912, 12,408,798 bushels, of a value of $6,550,178.

Mr. CARVELL: I have a statement here from our Department of Customs which shows the figures for 1912 as about 1-25th of what the hon. gentleman has quoted. Our friends must be wrong somewhere.

Mr. EDWARDS: I think the hon. gentleman is mistaken in the reading of his figures.

Mr. CARVELL: I shall send the document over to my hon. friend. I want to put him right.

Mr. EDWARDS: I have not time to look into it now.

Mr. CARVELL: You had better look into it before you give figures to the country that are not true.

Mr. EDWARDS: If my hon. friend, the Lord Chesterfield of this House, will maintain his soul in patience—I am not making statements without fairly and honestly and squarely giving the authority for them.

Mr. CARVELL: But the authority is wrong.

Mr. EDWARDS: My authority is a document issued by the United States Government. Of course, the hon. gentleman, who pretends to know everything about everything, may know more about the United States Government's affairs and about its official figures than they do themselves, but I may be excused, Mr. Chairman, if I accept these official figures rather than the statement of the hon. member for Carleton, N.B.

Mr. CARVELL: Then, take the statement of our own Government. Will the hon. gentleman accept that?

Mr. EDWARDS: The hon. gentleman has made his own statement and I am making mine. 'Hansard' will place one statement over against the other, and if he can produce as good authority for his statement as I am producing for mine, let the country judge between us.

Mr. A. K. MACLEAN: What is the year of the issue of that document?

Mr. EDWARDS: December, 1913. It is issued by the Department of Commerce, and I have quoted from page 526.

Mr. CARVELL: I want to be fair about this thing. Is not the hon. gentleman reading the total importations into the United States?

Mr. EDWARDS: I am giving the importations into the United States.

Mr. CARVELL: But I am talking about the exports from Canada.

Mr. EDWARDS: I thought the hon. gentleman was talking through his hat. I never made the statement from beginning to end of my quotation of these figures that these were the importations from Canada to the United States. If the hon. gentleman will pay attention probably he will avoid making such an exhibition of himself. The importations of 1912

were 12,408,798 bushels, valued at $6,550,000. In 1913 the total importations were 3,170,522 bushels, valued at $1,549,592. You will observe that notwithstanding the reduction of duty made by the Underwood tariff the importation of potatoes into the United States for the year ending 31st December, 1913, were only about one-quarter as great as in the preceding year. Analyse these figures a little further, as is done in this report, and you find that the im portations for October, November and December, 1913, that is, after the Underwood tariff came into force, were 1,864,421 i nthis report, and you find that the importations for the nine months preceding were 1,306,101, valued at $723,527. I call attention particularly to the value of these potatoes. Work it out, and you will find that the value of these imports after the Underwood tariff came into force with its reduction of duties, was 44.3 cents per bushel, while the value of the potatoes imported for the nine months before was on the average 55.4 cents per bushel. That might help out hon. gentlemen opposite in their argument if these values were values in the United States; but according to this document, these figures represent the values in New Brunswick or other countries from which these potatoes came. So, instead of the duty having the effect hon. gentlemen opposite say it would have, of enhancing the price of potatoes, according to these figures, it had the effect of reducing the value. I do not claim that it did have that effect, but I say that the figures show that when the duty was reduced, the price of potatoes in countries from which they were imported into the United States was lower than before that reduction of duty. Now, what is my argument in regard to that? Here I take issue with the hon. member for Northumberland (Mr. Loggie). He made use of the peculiar argument—if it may be dignified with that name—that when the Canadian farmer sends potatoes into the United States he has to pay duty to get them into that market—the duty came out of the pocket of the Canadian producer. He also placed alongside of that, the statement that when we imported potatoes from the United States we in Canada paid the duty— so to say, we got it in the neck going and coming. Now, if that argument is good, that we have to pay the duty no matter which way it goes, what would be the object of the United States in changing the duty? The question involved is really the old question, who pays the the duty? My contention in regard to that I will illustrate in this way: If we import into Canada tea, for instance, and impose a duty of five cents per pound on it, I argue that the Canadian purchaser will have to pay five cents per pound more for his tea. Why? Because we do not produce tea in this country nor anything that comes into competition with tea. When a duty is imposed upon an article produced in large quantities in Canada and produced in other countries as well, then I say that the removal of that duty does not inure wholly to the benefit of the country taking the duty off. There must inevitably be a levelling of prices tending to a common price, and my contention is that in such cases the common price will approach most nearly to the price in that country where the surplus production is the greater. So I contend that hon. gentlemen, in arguing as they do very frequently that the price of an article is enhanced by the amount of the duty, show that they have not given the matter as much thought as they should.

9 p.m.

That is not all. The amendment moved by the hon. member for Northumberland is as follows:

> That tariff item No. 83 be amended by adding thereto the following words: Provided, however, that potatoes dry, desiccated or otherwise prepared, being the growth and production of the United States, shall be admitted free of duty when, and as soon as, the United States removes the embargo regulations now existing against like articles, the growth and production of Canada.

Why this restriction to the United States? Why is the United States specially singled out? Why not remove the duty altogether and allow the potatoes of other countries to come in? I am not sure that I caught the hon. member correctly in his answer to the question put to him by the hon. member for West Peterborough (Mr. Burnham). I think he said he did not want European potatoes to come in.

Mr. CARVELL: It is always necessary to keep my hon. friend straight. I made no such statement. I said that it did not refer to European potatoes, but merely to potatoes coming from the United States.

Mr. EDWARDS: I think that is what I said. Would the hon. gentleman be willing to remove the duty on European potatoes?

Mr. CARVELL: Would you?

Mr. EDWARDS: No. Will my hon. friend be equally frank?

Mr. CARVELL: I am not on the rack to-night.

Mr. EDWARDS: My hon. friend, in dealing with this matter, professes to be absolutely free from all political bias; to have approached this subject with the utmost candor and frankness, but when I put to him frankly and honestly, a pertinent question with regard to this matter, he refuses to answer it; he says he is not on the rack. Why does he not answer the question? The hon. member for Carleton is afraid to say that he is in favour of the removal of duty on potatoes coming into Canada from Great Britain. Let the United States potatoes come in here, he says; but he does not say that he is in favour of letting potatoes come into Canada from England free of duty, because they produce potatoes in Europe very much cheaper than we can produce them here.

Mr. CARVELL: Let me give my hon. friend some information. Under our existing tariff laws, the proposed resolution, if carried, will allow potatoes to come into Canada from Great Britain free of duty, but not from Germany, France or Belgium.

Mr. EDWARDS: Why not from Germany? The hon. gentleman is on the rack again. Why not let potatoes come in from Germany, France and all these other countries? Will my hon. friend say that he is willing to allow potatoes to come into Canada free of duty from these countries?

Mr. CARVELL: No, I will not.

Mr. EDWARDS: Why? Because labour in these countries is cheaper than it is in Canada, and the hon. gentleman dare not place the farmers of New Brunswick in a position where they would have to compete with the growers of European countries. The hon. member is a partial advocate of free food; he does not want free food in his province to the extent of placing the New Brunswick potato-growers in competition with the growers of Germany, Russia and other continental countries, but in 1911 the hon. gentleman threw his hat in the air and shouted from one end of the country to the other that this is exactly what he did want. He said: open the doors and let potatoes come in here from these twelve favoured nations. What a change has come over the hon. gentleman since that time; how emphatic he is in declaring that he would not let potatoes come in free of duty from continental Europe. In 1911 he was nearly as emphatic in declaring that it was all right to let the surplus potatoes of these continental countries, amounting to an exportation of 12,000,000 bushels yearly, come into this country free of duty. Now the hon. gentleman is harping another tune. I think the suggestion made by the hon. member for Dufferin is perhaps the true solution of the problem: the small and doubtful majority of eleven in the county of Carleton has caused the hon. gentleman to be a little more careful now than he was in 1911. But these utterances are not at all strange, coming from hon. gentlemen on the other side. They may be like the Hamilton policy of the right hon. leader of the Opposition—only a momentary digression.

The hon. member for Carleton, in all the time he talked to-night, established only one or two things. I am satisfied that he established that the province of New Brunswick can grow good potatoes. At the present time, however, diseased potatoes are going out of the province of New Brunswick and I would not be at all surprised to find that the majority of these come from the county of Carleton, N.B. Potatoes are not the only deleteriously affected things that come out of the county of Carleton. Did you follow, Mr. Chairman, the gyrations, the serpentine movements of the hon. member for Carleton when he was speaking about this embargo on potatoes and about the diseased potatoes that come from the province of New Brunswick? He was much annoyed when he was handed a chart showing the extent to which these potatoes are diseased. He first argued that the United States was justified in placing an embargo upon New Brunswick and Maine potatoes; then he said: I am not convinced that there is any disease in the potatoes of New Brunswick. That is a style of argument which, I am happy to say, is peculiar to the hon. member for Carleton; it does not obtain generally in this House, and it is well for our debates that it does not.

Certain parts of the province of New Brunswick are well adapted to the raising of potatoes; I agree with that. I agree with the hon. gentleman also in his assertion that the province of New Brunswick can grow more potatoes than it does at the present time. But I will not agree with him in his assertion that the United States furnishes a market for the potatoes of New Brunswick; nor will I agree with him in advocating the removal of the duty on potatoes coming into Canada from the United States. The hon. member for Dufferin was perfectly justified in taking the ground that the farmers of Ontario, of Quebec, and of the whole of Canada, have

a perfect right to the high prices which prevail for a few days after the new potatoes first come in. It is utter nonsense, as every member in this House knows, for any man to say that we are entirely out of potatoes at any month in the year. Every-one knows that from one crop to the next our potatoes can be kept, and are kept, the year round. Suppose the farmer of Ontario, Quebec or New Brunswick specially prepares his ground with the intention of placing some potatoes on the market at the earliest possible moment. He goes to extra trouble to do that, and gets the potatoes on the market perhaps two weeks before the ordinary crop is available. Is he not entitled to the high prices which he obtains for those potatoes? Who pays that price? Is it the general consumer? Is it the workingman, the labourer, the artisan—the men on behalf of whom hon. gentlemen opposite are making such frantic appeals with regard to the lowering of the price of potatoes? Not at all. The people who pay that high and fancy price for potatoes for a week or ten days or two weeks are the rich people who are well able to pay it. It goes as a direct benefit into the pockets of the farmers who are entitled to that benefit.

The hon. member for Carleton, the hon. member from Prince Edward Island, the hon. member for Northumberland, and others on that side of the House, say that we should take this duty off and allow the Americans to come in and get these fancy prices for fruits, tomatoes, etc., and let the Canadian producer come at the tail end and take what is left. They will have a hard time in convincing the Canadian farmer that that is a fair deal for him. I maintain that in a country situated as Canada is there is only one just and fair way to deal with the farmer, and that is by means of a protective tariff. In the United States, in their large population, they have about 10,000,000 blacks. There are upwards of half a million of these negroes in the border states along lake Ontario and lake Erie. The majority of the coloured population is in the south, but those people form a very large element among the labouring classes of the United States. They work at a rate of wages which we do not want our labourers to work at in this country, and I say that in such a country as Canada, where our farmers have to spend large sums in providing barns and expensive buildings to house their stock, and where they have, for from four to six months of the year, simply to wait until the next season opens up, being under expense all the time, they are entitled in all fairness to a protective tariff which will place them somewhere on an equal footing with people who, through climatic conditions, have advantages which they do not possess. That is what I have always claimed in this House, and that is why, when I sat on that side of the House, I found fault with the former Government because in certain respects the protection to the farmer was not as high as it should be. I say the same thing to-day, and if it were in my power to make any change I would increase the duty on many articles that the farmers of Canada now produce. New Brunswick is entitled to protection as well as the farmers of the other provinces. If they can produce potatoes in Maine, as has been said, at the rate of 275 bushels to the acre, and if that state produces 23,000,000 bushels, it is manifest that New Brunswick cannot send potatoes there; but in case of a drouth, the New Brunswick market will undoubtedly be flooded with potatoes from the adjoining state.

The hon. member who moved this amendment would not agree to allow continental Europe to send potatoes here. Why? Because he and hon. members who spoke with him knew that these potatoes coming in here would be taken off the steamers first in the Maritime provinces if the price would suit them. Hon. gentlemen are not consistent; if they want to talk free round, if that is their policy, let them say so frankly and candidly; let them come out and advocate that policy. But they advocate one thing for one portion of the country, and something else for another portion, a duty here and free trade somewhere else. They have a haphazard sort of policy which appeals to no person because it is absolutely illogical. I do not want to take up the time of the committee any further, but I would ask hon. members not merely to consider the production of potatoes in the state of Maine or in those two or three states, but to look carefully at the American returns for each state. They will find then that potato-growing is not confined to one state, but is scattered all over the United States. Not only would it affect New Brunswick but it would affect, and in my judgment affect very injuriously, British Columbia, the prairie provinces and the provinces of Ontario and Quebec.

Mr. J. J. HUGHES: I wish to read a short statement to show the committee the authority on which I made my statements.

As I said, it is from the Department of Agriculture at Washington, and is made by authority of Mr. Dodge, who says:

> The leading potato-growing states of the country, those where the crop is at home and where it forms an important farm crop, are the two northern tiers of states east of the one hundredth meridian. Besides this region there are several states growing large quantities of potatoes, but not at all comparable with the district mentioned.
>
> There are several states along the Atlantic and Gulf coasts where potatoes are an important crop, but in those states they must be reckoned as truck crops in the majority of cases rather than as a general farm crop.
>
> The average yield for the past ten years shows that the production per acre in Maine is nearly twice that of any of the other nine states enumerated, though there does not seem to be sufficient difference in the climatic or other natural conditions to account for this wide variation.

Mr. EDWARDS: My hon. friend has mentioned Maine and nine other states. Why not give the names of those nine other states?

Mr. J. J. HUGHES: Certainly; New York, Maine, Michigan, Wisconsin, Pennsylvania, Ohio, Illinois, Minnesota and Nebraska. The hon. gentleman from Frontenac has stated that the production last year in the United States was 300,000,000 bushels.

Mr. EDWARDS: In 1912. For last year I gave 420,647,000 bushels.

Mr. HUGHES: That was very high.

Mr. EDWARDS: Considerably higher than 1911. In 1911 it was 292,000,000 bushels.

Mr. HUGHES: That would be an average of between three hundred and four hundred million bushels a year, or about three or three and one-half bushels per head of the population. Anybody who will think of the situation will see that the United States under those circumstances must be an importing country for potatoes, having only three to three and one-half bushels per head of the population. We have a much larger production in Canada. In Prince Edward Island, with a small production, we have over seventy bushels per head.

Mr. EDWARDS: The hon. gentleman will understand that when I say potatoes I am not including sweet potatoes.

Mr. HUGHES: I assumed that; but I am sure that does not amount to anything.

Mr. EDWARDS: Yes, it does.

Mr. HUGHES: Well, take that for what it is worth. The production is between three and four bushels per head of the population. It is below the consumption.

Mr. EDWARDS: What authority has my hon. friend for saying that the average consumption is more than the production?

Mr. HUGHES: Naturally, I would take that to be the case. Common sense would indicate that. Therefore, I say that that country would constitute the best market in the world for potatoes.

Mr. FOWLER: The hon. gentleman is following his own preference. He is no doubt a large consumer of potatoes, and therefore he claims that the people of the United States are in the same catagory as himself. The people in the southern states do not use the sort of potato that is referred to in the statistics given by my hon. friend from Frontenac (Mr. Edwards), which referred to the kind of potato which is the favorite of the hon. member for Kings.

Mr. HUGHES: What is your particular favorite?

Mr. FOWLER: I, like my hon. friend, prefer the Irish potato. That is where my hon. friend gets wrong in his statistics.

Mr. CARVELL: I do not propose to refer to any of the rambling remarks about what they are doing in the United States per head and what they are not doing. I would like to hear from some of my Conservative friends from the province of New Brunswick as to how they feel on this question. But I would be particularly interested in hearing from the hon. Minister of Agriculture (Mr. Burrell) on the question of the embargo if he does not want to talk on the question of the duty. I have tried to convince this committee that this is an important matter to the people of the Maritime provinces. I do not think that there is any person but will admit that. We all have to admit it and we are face to face with an exceedingly serious condition of affairs. It is no use for members on this side of the House or on the other to stand up and make general speeches on the theory of protection or free trade in so far as the farmers are concerned. We are discussing now a concrete case. There is no use in the hon. member for Frontenac (Mr. Edwards) quoting figures of the total production of the United States or the im-

portations from Europe or anything like that. We know in the Maritime provinces that the United States would offer a market for our potatoes if we could get them in there. Every farmer in New Brunswick knows that, every farmer in Prince Edward Island knows that, every farmer in the Maritime provinces, be he Liberal or Conservative, knows it. Every man, no matter how he voted in 1911, knows it. They all want to get that market and they all realize that we cannot get into that market on account of this embargo. I want to come down to the real question at issue.

Mr. W. T. WHITE: I understood my hon. friend (Mr. Carvell) to say that the United States would be influenced to remove the embargo if American potatoes were admitted into Canada free.

Mr. CARVELL: I said I believed that might have something to do with it.

Mr. WHITE: Let me ask my hon. friend one other question. What is the value to the American potato raiser of free entry into the Canadian market?—because I understood my hon. friend to say that that would be of no advantage to him. If that be so, what is the value of the Canadian market to the United States on the strength of which they will be influenced to remove the existing embargo?

Mr. CARVELL: That is a fair question. In my judgment it amounted to nothing, but I think the American Government must have considered it as amounting to something or they would not have framed their tariff as they did. They refused free entry of Canadian potatoes into the United States because we would not allow free entry of American potatoes into Canada. Otherwise, they would not have left them at 10 per cent. They removed the duty as against other countries and let potatoes in free. The United States never could send a barrel of potatoes to any country in the world except Canada or Cuba. It would not be common sense to talk about sending potatoes from the United States to Europe; yet they have allowed European potatoes to come in free and they have imposed a duty of 10 per cent against Canadian potatoes, unless by our legislation we allow theirs to come in free of duty. I believe that this market does not amount to anything whatever to the United States producer because there is, in my judgment, not the least possibility of potatoes coming into Canada from the United States, although in the summer months when we do not produce them they come from the southern or central states, where they mature much earlier than ours do in Canada. I may be wrong in my conclusions, my arguments and my beliefs, but these are my conclusions, my arguments and my beliefs.

Now, I want to come back to the Minister of Agriculture. I have tried in the course of this argument to treat him fairly and any man except some of the backbenchers who heard what I said to the minister will admit that I treated him fairly. I have given him credit for sincerely trying to meet the situation. I believe the minister is honestly and earnestly trying to see a way out. I give him great credit for sending out this statement which we have had placed in our hands to-day with reference to the potato disease. I think it is going to be of great benefit to the potato raisers of Canada. I want to give the minister full credit for the attention which he has tried to give to this great question. But I think this committee is entitled to a statement from the minister as to what the condition is, as to what has been done and as to what, in his opinion, can be done. Possibly he cannot agree with me in my idea of the remedy, but I do think the committee is entitled to some information from the minister on the situation as it exists to-day.

Mr. EDWARDS: In this publication which I hold in my hands, at page 603, are given the prices or values of potatoes, amongst other things, for each month, beginning with the month of December, 1912, and carrying it on through the year 1913. First, I will give the import prices on this side of the line. They are as follows:

1912—December	$1.25	per bushel.
1913—January	1.29	"
February	1.07	"
March	1.21	"
April	1.35	"
May	0.75	"
June	0.42	"
July	0.81	"
August	0.74	"
September	0.69	"
October	0.43	"
November	0.45	"
December	0.45	"

The prices for the same months on the other side of the line are as follows:

1912—December	0.74	per bushel.
1913—January	0.82	"
February	0.82	"
March	0.77	"
April	0.78	"
May	0.76	"
June	0.85	"
July	0.77	"
August	0.80	"
September	0.77	"
October	0.80	"
November	0.80	"
December	0.80	"

The figures for the month of December, 1912, and for these months in 1913, again indicate an enormous fluctuation in the prices of potatoes, not only in the different months, but in the different years. There is nothing so quickly affected by production as the price of potatoes.

Mr. A. A. McLEAN (Queens, P.E.I.): For fear a wrong impression should go abroad with reference to the action taken by the Department of Agriculture in regard to potato diseases, I wish to inform the House that in Prince Edward Island, in 1912, and again in 1913, there were two officials of the department travelling from house to house conducting investigations into this potato disease. Last year it was the intention of the Government to place a laboratory in the province, and to put in charge a bacteriologist of repute, but owing to some mishap he was unable to go there. However, I understand that this year the Government have secured the services of an official competent to take this matter in charge, and that the investigation will be further prosecuted in Prince Edward Island. I may say also that the provincial Department of Agriculture is acting in accord with the Dominion Department of Agriculture, and good work is being done. Rapid strides are being made in agriculture in Prince Edward Island, as the hon. member for Kings (Mr. J. J. Hughes) knows. Had that hon. gentleman made inquiries at the department in Ottawa or at the department in Charlottetown, he would have found that these investigations were going on. I presume it is as a result of this investigation by the Department of Agriculture that this very interesting document, which we have received, has been issued. There is no doubt, as the hon. member for Carleton (Mr. Carvell) has said, it is a move in the right direction, and one which probably should have been taken years ago, because it is well known that disease has existed in Canadian potatoes for many years.

Mr. CARVELL: Oh, no.

Mr. McLEAN: That is a fact. The nature of the disease was not known, but that disease existed there can be no doubt. Canker did not exist in Canada and does not exist to-day, but powdery scab has existed in this country, and so long as no action is taken by the farmers themselves it will spread. It is up to the farmers whether they will let this disease spread or not.

Mr. J. J. HUGHES: It is a very serious statement for the hon. gentleman to make that potato disease has existed in Canada for years.

Mr. McLEAN: I know what I am talking about.

Mr. HUGHES: On what authority does the hon. gentleman make that statement?

Mr. McLEAN: I make the statement because I know it is a fact. It is a fact that there is potato disease in Canada to-day, and the hon. member for Carleton admitted, that by reason of that disease in his own province there was an embargo placed on potatoes going into the United States.

Mr. CARVELL: I must put the hon. member right there. I was careful not to make any such statement. I said the United States Government claimed that, and claimed to have evidence of the fact, but I do not know whether that evidence is well-founded or not. I do not admit it and I said that I had grave doubt that disease did exist. I do not want my hon. friend (Mr. A. A. McLean) to put words in my mouth that I did not use. I do not believe that powdery scab existed up to two years ago, even if it exists now. If the Minister of Agriculture wants to give certain information he can give it, but it would perhaps not be wise to give all the facts in connection with the introduction of this powdery scab into Canada, if it be in Canada at all.

Mr. A. A. McLEAN: The hon. gentleman (Mr. Carvell) cannot help admitting that he said that the United States Government were justified in placing an embargo on Canadian potatoes.

Mr. CARVELL: There again, my hon. friend is misquoting me. I said the United States Government probably believed that they were justified.

Mr. McLEAN: That is a qualification that the hon. gentleman makes now.

Mr. CARVELL: No it is not.

Mr. McLEAN: We all heard what the hon. gentleman said; we all heard him make the broad, plain statement that the United States Government were justified in putting an embargo on Canadian potatoes.

Mr. CARVELL: No, I did not. This is a matter of too much importance to let pass. I protest against the hon. gentleman attributing to me any such statement as that. I do not want him to repeat it again, because it is not true and he knows it is not true.

Mr. McLEAN: The same statement was made by the hon. member for Frontenac (Mr. Edwards), and the hon. member for Carleton (Mr. Carvell) did not deny it.

Mr. CARVELL: I make it a practice in this House to not pay any attention whatever to anything said by the hon. member for Frontenac.

Mr. EDWARDS: The hon. gentleman has found it in his interest not to do so in the past.

Mr. CARVELL: I do not put my hon friend from Prince Edward Island (Mr. A. A. McLean) in the same category with the hon. member for Frontenac, and therefore when he makes a statement that is not in accordance with the facts I must call him to order.

Mr. MORPHY: Before six o'clock I addressed a question to the hon. member for Carleton to this effect: Does the hon. gentleman believe that the United States in putting an embargo against Canadian potatoes, were fair? and the hon. member for Carleton said: 'Yes.'

Mr. CARVELL: Certainly I did; that is a correct statement.

Mr. A. A. McLEAN: I have no doubt that when we get 'Hansard' to-morrow, we shall find that the statement I have made is correct.

Mr. CARVELL: I want my hon. friend to withdraw that statement, because it is not in accordance with the facts.

Mr. McLEAN: I certainly make the statement that when 'Hansard' is published to-morrow, it will be seen whether I am right or whether the hon. member for Carleton is right.

Mr. CARVELL: I ask my hon. friend to withdraw that statement.

The CHAIRMAN: If a statement attributed to another member is denied by him, the word of the hon. member must be accepted.

[Mr. Carvell.]

Mr. McLEAN: The hon. member for Carleton denies that he made that statement, and I suppose I must bow to your ruling, Mr. Chairman, and withdraw my statement. But, notwithstanding, the statement I made was that 'Hansard' would show which one of us was right.

Some hon. MEMBERS: Take it back.

Mr. CARVELL: That is good enough; go on now.

Mr. McLEAN: The hon. gentleman said further that he believed that probably scab existed in the state of Maine, and that the United States Government had appointed a commission to investigate the matter, and inspectors to inspect the potatoes shipped from that state. He said further, that if potatoes in Maine were found affected with scab, they were not allowed to be used for seed. There is no doubt that the hon. member for Carleton made the statement that the Maine potatoes were affected with powdery scab or some other infectious disease, because otherwise the United States Government, in whom he places great reliance in matters of this kind, would not have put an embargo on shipments of Maine potatoes for use as seed. We have this condition of affairs—an embargo put upon potatoes in the state of Maine and an embargo put upon potatoes from New Brunswick, or for that matter from the whole of Canada. It is the duty of the Government to investigate this matter, and I want to tell the hon. member for Kings (Mr. J. J. Hughes) that the Government has been investigating it for the last three or four years, that this investigation has been widespread, and that the Government is to-day in possession of very important information on the subject, which I have no doubt the Minister of Agriculture will give to the House.

I am not making a statement concerning things about which I know nothing. It is of so much importance to the people of my province that, no matter what it costs, the Government should take the matter up and investigate it properly. We were in the habit of selling our potatoes in the United States where we got very good prices for them. Sometimes we got a higher price than at other times. Sometimes prices in Boston were higher than in New York and sometimes higher in St. John than in Boston. So far as Prince Edward Island was concerned, we had a home market at Sydney, Stellarton and other mining towns of the Maritime provinces. New Brunswick was not in a posi-

tion to produce enough potatoes to supply the markets of Nova Scotia. Sometimes the people of that province were not in a position to supply more potatoes than they could use themselves. Although New Brunswick is a large province, it has only about 40,000 acres under potatoes, which is a very small acreage in comparison with the acreage under potatoes in Prince Edward Island.

Mr. CARVELL: Would my hon. friend tell me how long ago it was that New Brunswick was not in a position to supply more potatoes than it used itself?

Mr. McLEAN: In 1911.

Mr. CARVELL: In 1911 we shipped half a million barrels of potatoes from my own county alone.

Mr. McLEAN: How was it, then, that potatoes came from the state of Maine to New Brunswick, and were sold in competition with potatoes of New Brunswick?

Mr. CARVELL: They did not come into the province of New Brunswick in 1911, and we have the records to show it.

Some hon. MEMBERS: Order, order.

Mr. HENDERSON: Take it back.

Mr. CARVELL: Nothing is accomplished by this.

The CHAIRMAN: Order. The hon. member for Queens, Prince Edward Island, has the floor. The hon. member for Carleton knows that he has no right to interrupt.

Mr. McLEAN: I do not suppose there is any gentleman who knows so much or who presumes to know so much as the hon. member for Carleton, but I think other hon. members have a right to give utterance to their views on questions under discussion. The hon. member for Carleton should not assume all the rights of every member or even of the members of his own party.

Mr. CARVELL: When my hon. friend is wrong—

Some hon. MEMBERS: Order.

Mr. CARVELL: When my hon. friend is wrong, I am going to put him right; make no mistake about that. I think my hon. friend and I get along very well. I presume that he wants to be fair. I have here a statement from the Customs Department of the imports and exports of potatoes for the last two years. My hon. friend can get these, and be absolutely accurate in his statements. Instead of importing potatoes into New Brunswick in 1911, from my own county alone we exported close to half a million barrels, and the whole province of New Brunswick must have exported three-quarters of a million barrels in that year.

Mr. McLEAN: I have no doubt that, in his own mind, my hon. friend always thinks he is right, and he will not concede to any other hon. member the privilege of being right.

Mr. CARVELL: Not when he is wrong.

Mr. McLEAN: According to the hon. member for Carleton, N.B., anything that any hon. member on this side of the House states is wrong; everything that he thinks is evil. It is very unfair to hon. members on this side of the House to be treated in that way by my hon. friend. He ought to make this concession, that every one of us is actuated with good intentions. We are here, not for party purposes; we are here, not for the best interest of Prince Edward Island or New Brunswick or Nova Scotia or Ontario or Quebec; we are here for the best interest of the whole of Canada. When my hon. friend takes upon himself to say, as he has in effect said, that the whole politics of this country should be guided by the quantity of potatoes going into the county of Carleton, I think he goes far afield. He should, as was done in the case of agricultural implements upon which the duty was reduced, concede something to the manufacturers. He has conceded nothing to them. According to him, they should be turned down from one end of the country to the other. What would be the effect in the Maritime provinces to-day if the Nova Scotia Steel Works, the Dominion Steel Works, and the other great industries of that province were turned down, as would be the desire of the hon. member? Where would the markets be for the products of the farmer? There would be none. Since these manufactures have been established in the Maritime provinces under the tariff which we have now, the tariff of 1879, the farmers have become wealthy. To-day the farmers of Prince Edward Island, as a class, are the wealthiest people in Canada. We have the smallest province with the smallest population, but there is not another body of 95,000 people who have the same wealth as we have. The people of Prince Edward Island are all farmers, and have made their money through the farming industry —through selling potatoes, cheese and the

other products of the farm. My hon. friends opposite want to take away the protection that the farmers have, the 20 per cent on potatoes, and allow the potatoes of their friends in Maine to come in and undersell our potatoes. Why did they not take that ground when the Laurier Administration increased the tariff on potatoes? Since 1896 the hon. member for Kings (Mr. Hughes) says that conditions have changed. Where is the change in conditions since the tariff on potatoes was increased from 15 cents to 20 cents? There is no change so far as I can see, and I venture to say there is not an hon. gentleman on the other side of the House who can show that there is any change in conditions to-day.

Mr. LOGGIE: Might I ask the hon. gentleman a question? He wants to know what the change is, and why this resolution should not have been made prior to the present date? A very good answer is that the United States Government until last October had a duty of 25 cents a bushel against Canadian potatoes. Now they make the duty 10 per cent on condition that if we allow their potatoes in free, then, ipso facto, our potatoes go into the United States free.

Mr. McLEAN: And the hon. member for Kings, P.E.I., and the hon. member for Carleton boast that the state of Maine, the state adjoining the province of New Brunswick, raised last year 18,000,000 bushels of potatoes; and you want the farmers of the state of Maine to come in and undersell our farmers. There is no doubt that is what you want. What change has taken place in the conditions? The only change is that we have a better market to-day than we had when the duty on potatoes was raised from 15 cents to 20 cents, by reason of the great industries that have been established and the increasing population which has come into the industrial centres, composed not of men engaged in agriculture, but of men engaged in manufacturing. I wished particularly to make reference to the statement made by the hon. member for Kings that nothing was being done by the Department of Agriculture with reference to this matter. You see, Mr. Speaker, the hon. gentleman is now in Opposition and does not know what is going on. It is just as well that he should be made acquainted with the facts.

[Mr. A. A. McLean.]

Hon. MARTIN BURRELL (Minister of Agriculture): The House has probably learned more about potatoes last evening and to-day than ever before in the history of Parliament, and I should be loth to burden the patience of the House by discussing at much greater length questions relating to that useful vegetable. There are one or two things however to which I wish to refer briefly and also to make a statement as to the position of the department on some matters that have been touched upon. In the first place, I can hardly see how in any case, a member on this side of the House understanding the nature of resolutions and what they mean can possibly vote for so extraordinary a resolution as that moved by the hon. member for Northumberland, as follows:

> That resolution 3, schedule 'A,' be amended by adding after 79a, the following:
>
> That tariff item No. 83 be amended by adding thereto the following words: Provided, however, that potatoes dry, desiccated or otherwise prepared, being the growth and production of the United States and shall be admitted free of duty when, and as soon as, the United States removes the embargo regulations now existing against like articles, the growth and production of Canada.

I do not know what unhappy confusion of thought exists in the hon. gentleman's mind that may have induced him to frame his resolution in these words. It means, if it means anything that the United States are absolutely insincere in putting on that embargo. It is perfectly true—and this rather conflicts with the statement of the hon. member for Carleton—that it has been urged, and urged not without some reason, that powerful commercial interests were at work in inducing the United States to put that embargo on. I am not making the statement, but I say it has been urged, and urged with some force. But my hon. friend who is so courteous to the United States and complains that we on this side are trying to establish unfriendly instead of friendly relations is dealing them the most unkindest cut of all when he says that they put on the embargo for reasons of this kind. If his resolution does not mean that it means nothing, for it in effect declares that we should have a reduction of duty against the United States in return for the wiping out of the restriction against disease. I should find it, therefore, impossible, whatever my opinion on the duty question, to vote for a resolution so un-

sound. Speaking as a member
10 p.m. of this side and a member of the Government, I would certainly not vote for a resolution that would have the effect of wiping out the duty on an article produced so widely in our own country. I am not going to labour that point. In passing I might point out that my hon. friends opposite, especially those from the West, have a favourite way of stating the effect of duties on our products sent to the United States by saying that they pay the duty, but when an article is imported from the United States, they assume that they pay that duty also; but you cannot have it both going and coming. But, assume for the sake of the argument that the producer pays the duty on the potatoes exported from Canada to the United States, yet that duty is only ten per cent, and the price, if I remember the figures given by the hon. member for Carleton only forty cents per bushel, so that it would only amount to four cents per bushel. In order to wipe out a duty of four cents per bushel on our potatoes going to the United States, which it is not clear that the Canadian producer pays, the hon. gentleman is willing to abolish the twenty cents per bushel on potatoes coming into Canada which would be a hardship—

Mr. CARVELL: Forty cents per bushel is the average price under present conditions and has been for years past. But if the American market were free to us, it would be greater than that, and so it would mean the saving of I should think, five cents per bushel.

Mr. BURRELL: The difference is only one cent, and I will not dispute about that. But I am bound to say, with my limited knowledge—or perhaps a little more than limited knowledge—of the farming community of Canada as a whole, though perhaps New Brunswick is in a peculiar position with regard to the United States market, the farmers of Canada, and especially those of my own province, would oppose and strongly condemn me if I advocated the removal of the duty of 20 per cent per bushel on potatoes. I do not wish to go into the question of duty, but merely wish to say that I would vote against the resolution for this reason as well as for the other that I pointed out.

Now, I desire to say a few words in regard to another feature of the discussion which occupied a good deal of time, namely, the question of the embargo and the potato disease, which led up to the embargo. As members of the House know, the disease in question is a fungous disease, propagating once a year by spores, as all fungus growths do. We have lately heard much about two serious diseases. One of these diseases is potato canker or black canker of the potato. In 1910, the late Government issued an order prohibiting entirely the importation of potatoes from Newfoundland and from St. Pierre-Miquelon, for reasons that in those countries they had this canker, which was considered of a dangerous kind. In September, 1912, we got information that canker was very prevalent in certain parts of Europe, and that they were having great difficulty, especially in Great Britain, where they were quarantining large areas. After careful consideration, this Government issued an Order in Council prohibiting the importation of potatoes from Great Britain and from nearly all countries in Europe. This was followed shortly afterwards by action on the part of the United States of a similar kind, placing an absolute embargo on European countries for potato canker, which was admittedly a very serious disease. After we had done that, we thought it wise, as there had been some importations into Canada—very few; not nearly so great importations as had been made into the United States before the embargo was put on; I think there was a lot of 300,000 bushels arriving in Boston from Europe—to bring to the attention of the the farmers in this country, and so we issued a circular from our department and a coloured poster along the line of, and a little smaller than, the one shown here today. This led to potatoes supposedly affected with canker, or some other disease, being sent from all parts of the country to our Dominion botanist. We detected the existence of powdery scab in various parts of the country, perhaps most heavily in Kamouraska, Quebec. Perhaps I should not name these places, as it does not help to have the places talked about, but, on the other hand, it is often well to give these matters publicity with a view to remedy, so on the whole it is probably better to state all the circumstances. This disease, powdery scab, was found very slightly in Nova Scotia; a good many cases—about fifteen I think at that time—in New Brunswick; and in Prince Edward Island, in a considerably greater number. I was rather astonished to hear the hon. member for Kings, Prince Edward Island (Mr. Hughes) —and he will correct me if I am wrong—

make in this House the extraordinary statement, the making of which, I think, shows that he is not familiar with farming problems and is not following attentively the progress of farming in Prince Edward Island—that no powdery scab existed in Prince Edward Island, nor any other disease. He stated that the American Consul, who, I suppose, is not considered a great authority on plant pathology, had made the statement that there was no powdery scab. And the hon. gentleman was surprised that the Government—I presumed he referred to the Prince Edward Island Government—did not at once confirm this statement.

Mr. J. J. HUGHES: I read from a paper published in Charlottetown, a statement to the effect that the American Consul had reported to his Government that there was no disease in the Prince Edward Island potatoes against which the United States were providing an embargo,—that the diseases were simply dry rot and wet rot. I did not vouch for that statement. I read the statement in a paper published in Charlottetown that the American Consul had made that report to his Government; I did not vouch for its authenticity at all.

Mr. BURRELL: I may have been wrong in assuming that my hon. friend endorsed that position, but I thought my hon. friend's argument led to the view that Prince Edward Island was free from this disease. I am surprised that the statement was made, and still more surprised that the hon. gentleman did not verify it before he cast blame upon the provincial Government for not backing up the statement of the American Consul, who evidently was not fully conversant with the subject. My hon. friend would only have to look up the annual report of the Dominion botanist to find where the disease existed and where it did not. While it is true that the distribution of the disease is rather widespread in Prince Edward Island, the infestation itself is comparatively slight. After we found out these things, we obtained the services of expert men—qualified plant pathologists who pay special attention to potato diseases—and sent them to Prince Edward Island and other points to examine carefully into the conditions so that we could take steps to educate the people to look after these things and to report if the existence of any of these diseases was discovered. I have given to this matter a great deal of attention, and I have never yet been convinced and never have seen reason to convince me that the powdery scab is of as malignant a character as the potato canker, which probably justified the embargo against Europe and other countries where it existed. The spores of the canker remain dormant under ground for eight years, always ready, when potatoes are planted, to take active life and propagate the disease. While a similar state of things may exist in a smaller degree with regard to powdery scab, the methods of combating it are attended with greater success, and I am bound to say that I cannot regard powdery scab as being in the same category as the potato canker. In the fall of 1913 reports appeared in the press to the effect that the United States was contemplating taking action against Canada in the way of prohibiting the entry of her potatoes. I would like to refer for a moment to the remarks of the hon. member for Carleton. I shall not criticise what he said; I appreciate the kindly references he made to myself and to the efforts of the department in this regard, but I do gather that he thought that the Minister of Agriculture or the department was slow in taking the initial steps and that a much better arrangement could have been made at Washington if we had moved more quickly at the beginning. I know that my hon. friend does not want to be unfair, and I want to put him right on that matter. I received a wire from the hon. gentleman on November 26, and I think he will recall the fact that I wired him the following day assuring him that this matter had been under the consideration of the department and that we were giving it every possible attention. His letter arrived during the week; on account of the reports which were appearing in the press, I had quite a number of letters and telegrams from New Brunswick and elsewhere along the same line. Prior to that time we had unofficial knowledge of the matter through correspondence between the experts of our department and the experts of the United States department, and in the weekly news letter of the United States Department of Agriculture we had previously seen a paragraph, which was, in a sense, official, intimating that the question whether the United States should take action against Canada in the way of embargo was to be discussed. I had a memorandum prepared with regard to the matter before it was brought to my attention by our various friends and by the hon. member for Carle-

ton. We gave the matter further consideration and within a day or two of that time we took it up through the ambassador at Washington. I ought to point out that we were not neglectful of the interests of Canada, or of New Brunswick potato shippers, because we knew very well that under the terms of the Federal Quarantine Act the United States could not take action of that kind without giving us an opportunity to be heard; consequently we did not feel any particular alarm that they would immediately put on an embargo without giving us an opportunity for consultation. But, to make assurance doubly sure, we took the matter up with the ambassador at Washington. We pointed out that we did not consider that this disease was sufficiently serious to warrant the action which had been reported by the press as likely to be taken by the United States, and that if such action were seriously contemplated by the United States we trusted that they would give us ample opportunity to prepare a case and to appear before them, either through the embassy at Washington or personally, to make arrangements with regard to the whole matter. This was done. As my hon. friend knows, we went to Washington; a conference was held on December 18 and the whole matter was gone into very thoroughly.

The hon. member for Carleton said something about Mr. Gussow, the Dominion botanist and plant pathologist. I understood him to say that while he did not criticise Mr. Gussow's technical qualifications, he did not think that he was very practical. I may say in passing that Mr. Gussow's knowledge of plant diseases is looked upon with a great deal of respect by leading experts in the United States. In matters of this kind, therefore, we shall have to rest assured that Canada is being well represented so far as her export knowledge goes.

Mr. BLAIN: When was Mr. Gussow appointed?

Mr. BURRELL: He was appointed by my predecessor and is, I believe, a well qualified official. We are giving him every opportunity to carry on his work in a larger and more extended way in the future. At that conference business interests were represented; there were present congressmen and representatives from various states interested in potato growing. A large number of petitions were received from persons representing the interests of what we may call the commercial side of the potato industry. Although they would admit nothing in the way of infestation in their own country except an isolated case or two, it was pointed out at that conference by Mr. Gussow that we had knowledge of the fact that powdery scab did exist in Maine, Massachussets, Nebraska and Winconsin. I am not saying anything unfriendly, but it is not unfair to say that the proceedings at the conference were somewhat pro forma, and it was evident from what took place that the officials of the United States Department of Agriculture had made up their minds that an embargo of this kind would be placed upon Canadian potatoes. On December 22 they issued an order which took effect December 24, practically putting an embargo on our potatoes. Theoretically it was not, perhaps, an absolute embargo, inasmuch as they provided for the admission of our potatoes under certain restrictions.

But that is only another way of making an embargo, because the restrictions were such that it was impossible, in a practical commercial way, to ship potatoes into the country. Two of the conditions imposed were that there should be adequate field inspection, and also an adequate, clearly-defined location of infested areas. Hon. gentlemen who know anything about this matter can easily see that in December, when the crop was all harvested, some of it in the cellar and some in the hands of wholesalers, it would be quite impossible to make an adequate field inspection that year or to make a definition of infested areas that could possibly satisfy the United States authorities. That is why we regarded that as an embargo.

Mr. CARVELL: From any information which the minister may have from Washington, can he say if adequate inspection would mean inspection by United States officers or would they accept the inspection of Canadian officers?

Mr. BURRELL: They would require that inspection by our federal officers, Canadian officers, and it would have been impossible to carry that out. We have had many representations from New Brunswick and elsewhere, and some correspondence inviting us strongly to retaliate and put an embargo against the United States; others suggesting that we define the area. The more we looked into it the more difficult it seemed to deal with this particular condition of affairs. I did not think that

because we believed another nation had made a mistake in putting on such severe restrictions, we would have been justified in adopting similar action, and so we did not retaliate. Early this year the United States authorities had to admit, because the evidence was multiplied, that there was a very widespread infestation in the state of Maine. I must point out that until then they had made no restriction in the United States; although they must have known, and we pointed out to them, that they had the disease in various portions of that country. United States officers have practically admitted that they had made nothing like the investigations into this matter that we had made, and I wish to add as a compliment to our own Dominion botanist that the poster got out a year and a half ago in reference to potato canker has been used and copied, and our other publications have been copied and published in the United States, and they have formed no unimportant part in the United States work against potato diseases. I think that is a good tribute to Canadian energy in facing these things. As I said, the United States until lately had imposed no restrictions, but they put a restriction against the state of Maine. Then there came this question: they restricted the state of Maine to this extent that they prohibited Maine shippers sending potatoes into other portions of the United States except they had a certificate of freedom from disease from officers in Maine; but the restrictions imposed upon the state of Maine were nothing like so onerous and severe as those imposed against Canada in the regulations published in order No. 11 of December 18. So we again, quite recently, have taken the matter up with the Embassy at Washington, and the Embassy, at our request, have made strong representations to the Department of Agriculture at Washington that they should give us just the same treatment in Canada that they are giving to Maine in regard to shipments into other states. We have not had any answer to that. I am not aware whether they will do it. I am not now criticising them except that I do say that they should, logically and fairly, give us as fair treatment in Canada as they gave their own state when they quarantined it for the same disease. While this matter was under discussion an international conference to deal with the whole question of plant diseases was called to meet in Rome. Mr. Gussow represented Canada. The United States was invited to be present, and it was understood that the head of their board for dealing with these diseases would attend; but unfortunately and unhappily the United States was not represented at that conference at all. The French Government proposed a resolution that all vegetation and grain should be required to carry certificates of freedom from disease before being allowed to go from nation to nation. This, however, was woted down. The question of the preparation of a definite list of quarantinable diseases was discussed. So far as the powdery scab was concerned, each nation was left to deal with it as it wished. We have fairly good evidence in the department that powdery scab has been in Canada for six or seven years, and possibly before that. I think we are justified in assuming it has been in the United States a great deal longer than that. We have got it from them, or they from us, or we may both have got it from Europe. We undoubtedly have not hitherto considered the powdery scab as the same malignant and sinister character as potato canker. I am not minimizing the fact that it is a serious disease and that farmers should use every method to stamp it out, and I am also strongly of the opinion that the federal and provincial Governments should do everything that can be done to aid the farmer and to bring about a wholesale co-operation between the people and the Governments resulting in stamping out powdery scab. As far as this Government is concerned, we are going to give every possible assistance.

The question of the regulations of the embargo must necessarily be left now for a time until we begin to deal with another crop. I notice the United States are putting on a further quarantine which does not take place until next August, so we will in the meantime have opportunity to consider the whole matter. In the meantime, this year we can only do our best by carrying on a campaign of education. We have added a number of men to our staff for temporary purposes. It is difficult to get good men, skilled in this work. We have engaged the services of Professor Adams, of the Science College of Dublin, who has made a specialty of potato diseases. He has entered the Canadian service, and will be put in charge of a lot of this work. We intend to try to educate the people to plant nothing but clean seed, to use fresh ground

and to take every step possible to help us stamp out the disease, and I think it can be stamped out.

Something has been said about the publication distributed to the members of this House. I am not saying this in any spirit of boasting, as the entire publication has been prepared in the department, but I believe that publication is a credit to the Dominion of Canada. I do not believe that there has been another publication of the kind on the continent as good and as thoroughly reliable and lifelike in regard to illustration or more helpful in respect to methods of eradication of the disease.

That pamphlet cost the department about $3,000. I think it is money well spent. If it is necessary to spend more I think it will be well spent. We have now 165,000 copies of it, 125,000 in English and 40,000 in French, which we intend to have widely distributed. I venture to say that our friends in the United States will take particular interest in it and will try and copy our action in that respect.

I can only express my apologies for taking up so much of the time of the committee. The country may rest assured that in so far as this matter is concerned, the Department of Agriculture and the Government will take every step that can be taken in co-operation with everybody concerned to stamp out the disease.

Mr. J. J. HUGHES: Would the minister indicate the steps that can be taken by the farmers in planting their seed in order to take precautions against the disease? Can the seed be soaked?

Mr. BURRELL: No, that matter is all covered by the directions in the pamphlet. With regard to several of these diseases, including this one, you can do nothing in the way of soaking seed or treatment of any kind. The only method of value is to plant clean seed. You must not only not take seed from a crop that may seem to be sound, but you must take seed from a crop that has never had the disease and plant it in soil where diseased crops have never been grown. My hon. friend will find that the pamphlet is very full and explicit. The information is packed into small compass, but it will give immense help to potato growers, and in addition the services of our officers will be at the disposal of anybody in the country who wants to make use of them.

Mr. J. J. HUGHES: I was very much pleased to hear the remarks of the hon. Minister of Agriculture (Mr. Burrell), and especially was I pleased when he spoke of the efforts that the Government were making to induce the Government of the United States to place no more stringent regulations upon the importation of potatoes from Canada than they were putting on potatoes from the state of Maine. That was especially gratifying to me, because it shows clearly that, in the opinion of the minister and the Government, they value highly the market of the United States for Canadian potatoes.

Some hon. MEMBERS: Oh, oh.

Mr. HUGHES: No better argument could be used. Why, if they did not value that market, were such efforts put forth to get the regulations against this country made no stricter than against the state of Maine? No better argument could be used in favour of the value of that market and no stronger one could be advanced in favour of the reduction of the duty on potatoes into this country in order to obtain free access to the American market.

Mr. W. T. WHITE: We are in committee and I avail myself of the privilege of speaking twice. I am the more inclined to this course because otherwise I might appear to be somewhat discourteous to my hon. friend from Northumberland (Mr. Loggie). I am sure he will acquit me of any intention of that character. When I expressed the desire between twelve and one o'clock last night that the debate should be concluded, if possible, before the House rose, I had no idea that so many gentlemen intended to take part in this discussion, and that it would range over so large a field. Otherwise, of course, I should have been more than willing that the House should have adjourned and that the debate should have been continued to-day. The hon. member for Northumberland has offered an amendment, and in order that we may see precisely what we are debating, I propose to read the resolution which is offered for the consideration of the committee:

That tariff item No. 83 be amended by adding thereto the following words: Provided, however, that potatoes dry, desiccated or otherwise prepared, being the growth and production of the United States, shall be admitted free of duty when, and as soon as, the United States removes the embargo regulations now

existing against like articles, the growth and production of Canada.

My hon. friend is evidently of the view that if this resolution were adopted and the tariff change which he has in mind made, the potatoes mentioned in the tariff item would be admitted free from the United States only, and that by reason of their free admission into this country Canada would become entitled to the benefits of the countervailing provisions of the Underwood tariff and that our potatoes would be given free access to the markets of the United States. I think that is a fair deduction from the wording of the resolution. I would point out to my hon. friend certain consequences that would flow if this tariff change were made. In the first place, we would have to admit free potatoes from the United States and from all the Britsh colonies and British possessions.

Mr. LOGGIE: I understood that.

Mr. WHITE: My hon. friend says that he understood that. I notice that he did not emphasize it. My hon. friend knows also that there are certain nations which are accorded most favoured nation treatment under the tariff laws of Canada.

Mr. LOGGIE: That is right.

Mr. WHITE: Among these are the Argentine republic, Austria-Hungary, Denmark, Japan, Norway, Spain, Sweden, Switzerland and Venezuela. In passing, I must express my surprise that such a good free trader as we have always understood the hon. member for Carleton (Mr. Carvell) to be, should take exception to potatoes coming into Canada from Germany. I understood my hon. friend to be reluctant to admit that he should like to see potatoes coming into Canada from Germany.

Mr. CARVELL: My hon. friend understood me absolutely correctly. I do not want to see them coming from Germany, because I do not think Germany has ever given us fair treatment and because German potatoes are diseased.

Mr. WHITE: My hon. friend says the reason is because they are diseased.

Mr. CARVELL: This would not bring them from Germany.

Mr. WHITE: Is it a fact that my hon. friend is objecting that cheaper potatoes would come into Canada from Germany, or some other nation, and break the price in Canada?

Mr. CARVELL: No.

[Mr. W. T. White.]

Mr. WHITE: My hon. friend puts it entirely on the ground of disease.

Mr. NESBITT: I would like to ask the minister if Germany admits our potatoes free.

Mr. WHITE: I am unable, offhand, to answer that question.

Mr. CARVELL: I can tell you: They do not.

Mr. WHITE: Surely a good free trader who is in favour of free food could not by any possibility object to Canada buying cheaper potatoes, whether they come from Germany or any other country.

Mr. NESBITT: Purely for information, may I ask the minister if an effort was not made some years ago to have the most favoured nation clauses cancelled?

Mr. WHITE: I am coming to that in a moment. No less a personage than the right hon. leader of the Opposition (Sir Wilfrid Laurier) moved a resolution in the Imperial conference having as its object the denunciation of those treaties.

Mr. CARVELL: And that was passed.

Mr. WHITE: Passed by the Imperial Conference.

Mr. CARVELL: And they agreed to cancel them whenever Canada wanted them cancelled.

Mr. WHITE: My hon. friend from Carleton was evidently of the view, or he gave the committee the view, that the United States Congress had made these countervailing provisions in respect to potatoes having in mind especially Canada

Mr. CARVELL: I thought so.

Mr. WHITE: My hon. friend surely does not argue that the provisions of the Underwood tariff are limited to Canada? I have those provisions here, and I will read them to my hon. friend. I quote from the free list of the Underwood tariff:

> Potatoes, and potatoes dried, desiccated, or otherwise prepared, not specially provided for in this section: Provided, that any of the foregoing specified articles shall be subject to a duty of ten per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government, which imposes a duty on such articles imported from the United States.

Therefore the legislation is general to those countries which will admit potatoes the product of the United States free. The United States will extend the same privi-

lege to them. That is the effect of this provision of the Underwood tariff.

I listened with as much interest and attention as to anything in the House, to the recital of my hon. friend (Mr. Carvell) as to what was done by the Maine farmers as soon as the Underwood tariff reduced the duty upon potatoes to ten per cent. ad valorem. I may say that under the Canadian tariff the duty upon potatoes is twenty cents a bushel, and that previously to the introduction of the Underwood tariff the duty upon potatoes in the United States was twenty-five cents a bushel. By the Underwood tariff the duty upon potatoes was reduced to ten per cent ad valorem, which is the rate to-day. The recital of my hon. friend (Mr. Carvell) was most graphic and illuminating, and I could not help but reflect upon the strange irony of political circumstances. I have not the slightest doubt—and I am not going to hark back to the reciprocity agreement—that my hon. friend went upon the platforms of New Brunswick and, powerful debater as he is, set forth to the people the advantages of the reciprocity agreement, under which Canadian potatoes would be admitted free to the markets of the United States. Mark you, at that time the duty on potatoes entering the United States from Canada was twenty-five cents a bushel, and my hon. friend naturally concluded that if that duty of twenty-five cents a bushel were removed, the potatoes of his native province would gain free access to the markets of the United States. Let us see what happened.

Following on the enactment of the Underwood tariff which did not abolish the duty but reduced it to ten per cent ad valorem, the Maine farmers, who appear to value protection pretty highly, at once sent agents, as I understood my hon. friend to say, through the province of New Brunswick, to ascertain if there was any disease in potatoes which they could bring to the notice of the Government at Washington. He also told us that New Brunswick was capable of multiplying threefold, yes tenfold, her present production of potatoes. Is there any doubt whatever that the Maine farmers had that capacity of potato production in New Brunswick in view when they initiated the proceedings which led to this embargo. I put it to my hon. friend (Mr. Carvell) does he believe that if the United States duty upon potatoes had remained at twenty-five cents per bushel, that embargo would be in existence to-day?

Mr. CARVELL: I do not.

Mr. WHITE: My hon. friend does not believe, and I do not believe it would be in existence to-day, if the duty of twenty-five cents a bushel had remained. The result then is that the reduction by the Underwood tariff from twenty-five cents a bushel to ten per cent ad valorem has caused the potato growers of New Brunswick to be absolutely shut out of the markets of the United States. Now, if that happened on a reduction to ten per cent ad valorem would it not have happened or something worse, if possible, if the duty had been entirely removed? I cannot help but reflect upon the strange irony of circumstances, which sent my hon. friend on the platforms of New Brunswick to point out the advantages which would be gained by the farmers of New Brunswick by reason of the reciprocity agreement which would admit their potatoes free to the American markets, thus enabling them to double, and treble, and multiply by ten, their output, and today forces him in this House to point out, that because of the reduction by the Underwood Tariff to ten per cent ad valorem, on the initiative the farmers of the United States who he said had strong political influence, the New Brunswick farmers are shut out absolutely from the markets of the United States, and they are not in as good a position as they were before.

Mr. CARVELL: I said on the initiative of the farmers of the state of Maine not of the United States as a whole.

Mr. WHITE: Maine is a powerful and influential state. The Minister of Agriculture said that at the conference which was held with respect to this question, commercial interests were represented as well. I desire to make no strong statements about this matter, because I was not before aware of the facts which have been called to the attention of the House this afternoon by my hon. friend from Carleton and by the Minister of Agriculture. But, is there any doubt that the farmers of Maine themselves, and through their political representatives, brought powerful influence to bear upon the Government of the United States, and that as a result this embargo was established? There is no doubt about it whatever. Therefore, I say that the farmers of New Brunswick are in a worse position than they would have been if the tariff of twenty-five cents a bushel had remained against Canadian potatoes, because the Canadian farmers would have at least been

able to sell in the markets of the United States after the payment of the twenty-five cents per bushel duty. I point out to my hon. friend from Northumberland (Mr. Loggie) that the hon. gentleman from Carleton (Mr. Carvell), in my judgment has this afternoon supplied the strongest possible argument against the adoption of his resolution. If the amendment of my hon. friend (Mr. Loggie) were adopted, what would follow? If the United States removes the embargo, then by reason of the countervailing provisions of the Underwood tariff, the potatoes of Canada would gain free entry to the markets of the United States. I put it to my hon. friend from Northumberland that if the farmers of Maine have taken the initiative and have by the influence they have been able to bear had this embargo put on because of a reduction of twenty-five cents a bushel to ten per cent ad valorem, what would they not do if this amendment were carried and they knew that the potatoes from Canada would go into the United States, not at a duty of ten per cent ad valorem but absolutely free of duty? That argument cannot be refuted. If the farmers of Maine had taken the initiative, and my hon. friend criticised them pretty roughly for doing so, to get an embargo placed on our potatoes because of a reduction in the duty, what would they not be disposed to do if the duty were wiped off altogether and they found themselves exposed to Canadian competition?

I need not tell my hon. friend from Carleton, who has a strong, virile intellect, what would happen under such circumstances. He knows that if this amendment were to pass this House the efforts of the Maine farmers would be redoubled.

Mr. CARVELL: Does my hon. friend want me to tell him what I know?

Mr. WHITE: Very well.

Mr. CARVELL: I know no such thing, and I tell him frankly that I do not believe the competition from the province of New Brunswick would affect the price of potatoes one cent in the United States, nor do I believe that the United States people would have attempted to put on this embargo so far as Canada is concerned. It was the European market they were afraid of. The hon. gentleman is harking back to reciprocity, but I can tell him that all of this trouble dates from the refusal of reciprocity, and had reciprocity gone through there would have been an embargo against the rest of the world and there would not be an embargo against Canada to-day.

Mr. WHITE: The hon. gentleman says that this embargo will not make a particle of difference so far as the price of potatoes in the United States is concerned.

Mr. CARVELL: We do not produce enough.

Mr. WHITE: I assume that the Maine farmers, to whom my hon. friend has paid a high tribute this afternoon, are a keen-witted, practical-minded set of men.

Mr. CARVELL: Yes.

Mr. WHITE: Will my hon. friend tell me why they took the trouble to send over agents to New Brunswick to see if they could find an example of powdery scab, in order that potatoes of New Brunswick might be debarred from the American market?

Mr. CARVELL: With the greatest of pleasure. I live alongside of those people; I know the men who have made the incursion into New Brunswick, and I have it from the potato men and the potato growers of the state of Maine. They did not fear the Canadian competition; but they were determined to prevent the free importation of potatoes into the United States from every country of the world, and they got their Government to put on this embargo in order to shut out the competition from Europe. When they shut out the competition from Europe, they wanted to shut it out from every country. Any one in the state of Maine will tell you that they did not fear the competition of New Brunswick or of Canada. If the competition only came from Canada, you would hear nothing about it; it was the competition from Europe that they desired to shut out.

Mr. BURRELL: My hon. friend's argument is a little faulty, inasmuch as the United States had already a very effective embargo against Europe on account of canker, which is a different thing entirely.

Mr. CARVELL: They had no embargo against powdery scab, and it is professedly only against powdery scab that they are endeavouring to prohibit importations of potatoes from New Brunswick and other provinces of Canada into their country.

Mr. BURRELL: My hon. friend did not understand me.

Mr. CARVELL: I did, and I think my hon. friend will see that I did before I have finished. They did not profess to put an embargo on potatoes on account of canker; they professed to do so on account of powdery scab. It is a fact that hundreds of thousands of bushels of European potatoes came into the United States from the 3rd day of October to the 24th day of December, 1913, from those countries which the United States believed did not possess canker, but did possess powdery scab. It was canker they were afraid of; and it was the fact that not merely a few carloads but whole shiploads of cankered potatoes came from Europe that made them determined to prohibit the importation of those potatoes, if possible.

Mr. BURRELL: I am afraid my hon. friend has made rather a wild statement. I do not think he can show that thousands and thousands of bushels of potatoes came from European countries to the United States prior to their action, because they had an effective embargo against all countries on account of potato canker.

Mr. CARVELL: My hon. friend the Minister of Agriculture is all wrong.

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: I advise my hon. friends not to get too gay over it. My hon. friend, if he looks up the trade returns, will find that shipload after shipload of potatoes came from Europe into the ports of Boston and New York in November and early in December.

Mr. WHITE: I think my hon. friend will have some difficulty in making the country believe that, if the Maine farmers had in view only the prohibition of the importation of potatoes from Europe, they would seek to accomplish their purpose by making an investigation of the farms in the province of New Brunswick. There is no doubt about it whatever, and my hon. friend has supplied the reason in his own argument. He says that New Brunswick is capable of increasing its output of potatoes tenfold. Does he mean to tell hon. members that, having regard to freight rates and all the other matters that enter into the question of price, an increase of the potato-product of New Brunswick by ten will have no material influence upon the price in the nearby markets of the United States?

Mr. CARVELL: Does my hon. friend not know that the freight rate to the United States is greater from New Brunswick than from Europe?

Mr. WHITE: My hon. friend says that they can keep out the European product by reason of canker.

Mr. CARVELL: No.

Mr. WHITE: My hon. friend knows just as well as I do that, if the Canadian output were increased by ten, and if the farmers had free access to the markets of the United States and sent in their products subject to a 10 per cent or other duty, it would have a material influence upon the price in the nearby markets of the United States.

Mr. CARVELL: I do not think so.

Mr. WHITE: My hon. friend does not think so, but some of us do think so. The Maine farmers thought so, and their action was governed by what they thought. They came in and examined the farms of New Brunswick; they found powdery scab; they brought political influence to bear, and they had this embargo enforced against the potatoes of Canada. The farmers in my hon. friend's constituency are in worse case to-day, as I said, than they would have been under the Payne-Aldrich tariff of the United States, namely, 25 cents a bushel upon potatoes. That is the result of the reduction in the tariff of the United States, which I have no doubt my hon. friend has heralded as a great advantage to Canada.

There are a few other statements which my hon. friend made to which I wish to refer briefly. Before doing so, I wish to say that if the amendment of my hon. friend from Northumberland, N.B. (Mr. Loggie), were adopted, and the tariff reduced, the result, in my judgment, would be that the present embargo would be made perpetual against the potatoes of Canada, because I believe the farmers of Maine, realizing as they would that this would mean, in the event of the removal of the embargo, the free entry of Canadian potatoes into the United States in competition with theirs, would exert their influence more strongly even than they did on the last occasion. The result would be that the Canadian potatoes would be absolutely shut out under an embargo provision for all time from the markets of the United States.

My hon. friend said in the course of his remarks that the Canadian market would be of no advantage to the producers in the United States. That would seem to follow from his argument that prices were higher

in the United States than in Canada. If that is so, I would put it to my hon. friend, what possible influence upon the action of the United States could we exercise by the removal of our duty against potatoes? If the market of Canada is of no value to the potato growers of the United States, I repeat, what influence would any action on our part in removing or reducing the duty on potatoes have upon the Government of the United States with respect to the embargo? My hon. friend confutes his own argument by his admission. Further, I put this to my hon. friend. He stated this afternoon that the United States acted fairly in imposing the embargo. What follows from his argument? He said in substance and effect: If you will remove the duty, we may look for an earlier removal of the embargo. What has he suggested in that? That the embargo might be continued beyond the time during which it is properly enforcible; in other words, that it might become a protection to the farmers of the United States instead of a quarantine measure.

That absolutely follows from the argument of my hon. friend; there is no getting away from it. The Minister of Agriculture said, referring to the resolution of the hon. member for Northumberland, that there is confusion of thought in that resolution. My hon. friend from Carleton has argued this afternoon that the market of Canada is of no use to the potato growers of the United States. He has argued, notwithstanding that admission, that it will be influential in having the embargo removed so far as Canada is concerned if we remove the Canadian duty and admit American potatoes to this market, which according to his own statement, would be of no advantage to the United States. And he has by implication charged the United States with imposing this embargo, not for quarantine reasons, not for the purpose of keeping out disease, but solely as a protective measure for their own farmers suffering from a reduction of the rates of duty under the provisions of the Underwood Tariff.

Let me put it another way:

11 p.m. The hon. gentleman knows that there are only two classes in the community who would be affected by an alteration in the tariff rates—the consumers and the producers. If there is no advantage to the producer of potatoes in the United States in having access to the Canadian market, is there any advantage to the consumer in the United States in having the American tariff reduced or removed? If my hon. friend says there is, I say the remedy is wholly in the hands of the United States: they can lower or remove their duty whenever they please.

Now, my hon. friend has spoken rather contemptuously of the home market.

Mr. CARVELL: Quite so.

Mr. WHITE: His words were: The home market and all that sort of nonsense.

Mr. CARVELL: I meant all that.

Mr. WHITE: I am sorry the hon. gentleman meant it, because I think he is a man capable of taking a broader view.

Mr. CARVELL: I have had experience.

Mr. WHITE: Probably in one section of the country only. But we must learn that in this country there are many children of Confederation, there are many provinces, and what is an immortal truth in Nova Scotia may be a heresy in British Columbia. That is brought home to me every day in connection with such matters as the tariff. I am the first to admit that there are sections of Canada in which there is a considerable advantage in having access to the American market; I have always admitted that. But the hon. gentleman must take the country as a whole. If he would visit to the province of Ontario or to the province of Quebec or many other provinces, he would find that the home market is not regarded as a bit of 'nonsense' by the agriculturists. I doubt if my hon. friend could carry his membership in any rural constituency in Ontario if he came out and talked about the 'nonsense' of the home market. I would point out that it was the appreciation by the Ontario farmer and the Quebec farmer of his home market that won the election on the reciprocity issue.

Mr. CARVELL: And I want to say that the election was won on money and the Ne Temere decree.

Mr. WHITE: I do not propose to bandy words with my hon. friend on any proposition so foolish as that. I have stumped Ontario, and know rural Ontario as well; I was born on an Ontario farm, and I know farming conditions. It is true not only of Ontario but of Quebec, and of British Columbia and of Manitoba, and I believe it will be increasingly true of other provinces, that the farmer values greatly his home market. And my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), who committed himself for the

moment to a free food policy at Hamilton, had to back up on that policy because of the condition that I have mentioned as existing—namely, the appreciation by the Canadian farmer of his home market.

Mr. A. K. MACLEAN: How is he going to lose it in the event of reciprocity?

Mr. WHITE: My hon. friend knows the difference between a home market and a foreign market.

Mr. MACLEAN: Do I understand the hon. minister to assert that in the event of reciprocity in potatoes between Canada and the United States our farmers would lose the home market? Surely he does not undertake to assert such a proposition.

Mr. WHITE: Let me say this to my hon. friend. Take the case of manufactures—

Mr. MACLEAN: Just one moment. I understood the hon. member for Carleton to say that there was considerable nonsense in hon. gentlemen opposite continually asserting the great importance of the home market when any one on this side suggests the desirability of having a market for their products where there is an exportable surplus.

Mr. CARVELL: I was talking about the home market for potatoes.

Mr. WHITE: The hon. member for Carleton does not need an interpreter; whatever faults he may have, vagueness is not one of them. I understand him, and he knew I understood him. He cast contempt upon the home market.

Mr. CARVELL: For potatoes.

Mr. WHITE: For potatoes and other produce. He is a free trader for every part of Canada except New Brunswick, and a free trader there in everything except potatoes. He reminds me of the lines in the Biglow paper:

> I du believe in Freedom's cause,
> Ez fur away ez Payris is;
> I love to see her stick her claws
> In them infernal Phayrisees.

So, with the hon. gentleman, protection is anathema on everything except the potatoes of New Brunswick. Now, I wish to say to him—because I have a good deal of respect for his ability and would like to see him take a larger view of this matter—that he cannot formulate a tariff policy by keeping in view only one province or one constituency; he must consider Canada as a whole. He is disregarding an obvious and patent fact if he jumps to the conclusion that the farmer of this country does not value his home market. If he does not want to take my word for it, let him have a heart to heart talk with his right hon. leader (Sir Wilfrid Laurier) who had to withdraw from the policy set forth so eloquently in Hamilton because the rural members in Ontario and Quebec said to him: You are going to ruin us in our constituencies. That is what I meant when I said that free food means free trade. And it does; because if the protective duties that have been valued by the farmers since protection was introduced in 1879 are to be swept away, they will insist that others be swept away also; they all stand on the same footing, and when the farmer of Ontario and of other provinces values his protection so much, he is either going to have it or see that nobody else shall have it.

Mr. A. K. MACLEAN: Did I understand the minister to say that even if it could be shown that with potatoes on the free list in Canada and the United States it would be utterly impossible for the United States to send into this country potatoes in any substantial quantities and yet we could export in large quantities to the United States, he would still oppose the principle of this resolution?

Mr. MACLEAN: In Canada—and that he would adhere to a tariff upon potatoes simply because the placing of potatoes upon the free list would disturb the whole fabric of protection. Does my hon. friend mean that?

Mr. WHITE: I am of the opinion that Canada should make her own tariffs, and that the United States and every other country should make their own tariffs. I believe in having a policy to work upon; I do not believe in taking isolated articles here and there, and for political, demagogic or other reasons, singling them out for special tariff treatment.

Mr. MACLEAN: We are talking about potatoes in this resolution.

Mr. WHITE: I know that, but my hon. friend asked me for a general statement of opinion and I say that a minister of Finance should have a policy to work to. I laid down in my Budget speech a policy of reasonable protection for the industries of Canada, including agriculture, and I say, therefore, that you must deal with the products of agriculture as you deal with the

products of manufacture; that is to say you must afford them reasonable protection. How much that reasonable protection should be at any given time I do not propose to say, because as conditions change from time to time, necessary tariff modifications have to be made. There might come a time when certain manufactured articles on which hitherto a duty has been imposed might be placed upon the free list; there might come a time when certain articles the product of the farm might well be placed upon the free list. But I lay down the general principle that the fiscal policy of the Government, as stated in the Budget speech, is one of reasonable protection for all the industries of Canada, including the great basic industry of agriculture. In the application of that principle we must be guided by the facts and conditions that are before us from time to time. I think that the resolution of the hon. member for Northumberland should be negatived, on several grounds. In the first place, it could not—and he evidently had in mind that it could—be confined to potatoes coming in from the United States of America. If the resolution were adopted, potatoes would come in from the United Kingdom, from all the British possessions and from all the most favoured nations. When my hon. friend (Mr. Carvell) this afternoon indicated that he would be, to say the least, reluctant that potatoes should come into Canada from Germany or from any other nation but the United States free of duty, I could not help thinking of what his leader did at the Imperial Conference in 1911. This is the resolution which was moved by my right hon. friend and adopted by the Imperial Conference at that time:

That His Majesty's Government be requested to open negotiations with the several foreign governments having treaties which apply to the overseas Dominions with a view to securing liberty for any of those Dominions which may so desire to withdraw from the operation of the treaty without impairing the treaty in respect of the rest of the empire.

My right hon. friend obviously had in mind at that time the idea that these treaties should be denounced in order that these commodities should not come in free by reason of the reciprocity pact. My hon. friend a few moments ago said that he objected to potatoes coming in from Germany free of duty only on account of their being affected with disease.

Mr. CARVELL: I did not say so; my hon. friend said that for me.

[Mr. W. T. White.]

Mr. WHITE: What did my hon. friend say ?

Mr. CARVELL: My hon. friend drew that inference from my remarks; I did not make the statement.

Mr. WHITE: On what ground is my hon. friend unwilling that potatoes should enter New Brunswick from Germany free of duty?

Mr. CARVELL: I will answer when my hon. friend is through.

Mr. WHITE: I asked my hon. friend a few minutes ago whether he objected to pototoes coming into Canada from Germany free of duty on the ground that it would make them cheaper in New Brunswick, and I understood him to say—and by reason of what he said he got into a controversy with the Minister of Agriculture—that he objected on account of their being diseased. If this is the only reason, then does he subscribe to what was done by his leader at the Imperial Conference in 1911, whereby the right hon. gentleman desired to have the treaties denounced in order that these goods might enter Canada free of duty?

Mr. CARVELL: Absolutely.

Mr. WHITE: If my hon. friend does not want to see natural and manufactured products come from the most favoured nations free of duty, is he a free trader or is he a protectionist? If my hon. friend is not a protectionist, what objection has he to natural and manufactured products coming into Canada free of duty from the most favoured nations?

As I have said, the resolution of the hon. member for Northumberland should be negatived, on several grounds. One of them is that the goods from these other nations that I have mentioned would be admitted free to the markets of Canada. Secondly, as pointed out by the Minister of Agriculture, the resolution on the face of it implies that the United States has imposed this embargo for other than quarantine reasons. There is no getting away from that fact; the implication is evident from the arguments that followed. The implication of the hon. member for Northumberland and of the hon member for Carleton is that if Canada will place potatoes on the free list, the United States will be more likely, in the early future, to remove the embargo. On what ground should the United States remove the embargo? Only on the ground that,

from the standpoint of quarantine and the interests of agriculture, there is no longer any necessity for it. My hon. friend has admitted that the Canadian market is of no value to the American farmer; yet he says that the American Government will be prone to remove this embargo at an earlier date if we admit their potatoes into Canada free of duty.

The third reason why the resolution of my hon. friend should not be accepted is that, as I stated last night, it is inconsistent with the fiscal policy of protection that I laid down in the Budget speech. I do not say, and I never have said, that a policy of protection means that no articles produced or manufactured in Canada should be placed upon the free list. On the contrary, I have said in my Budget speech and on other occasions that as conditions change, tariff modifications may be made; that duties may be reduced or wholly abolished as circumstances may permit or as the public interest may require. But, having regard to the facts adduced this evening by the hon. member for Frontenac and others as to the production of potatoes in Canada and in the United States, I say that the time has not come when we should place potatoes upon the free list; that to do so under the existing circumstances would be inconsistent with the fiscal policy of protection which I enunciated in the Budget speech. For all these reasons, therefore, I ask that this amendment be negatived.

Mr. CARVELL: My hon. friend assumes that I announced in this House that I was an absolute free trader. I think he would have some difficulty in finding record of my having made any such assertion, either in this House or on the platforms of this country, wherever I have discussed these questions—and I have been discussing them for a great many years. I am not like my hon. friend, who is hidebound to some particular policy and cannot get away from it. I believe in a business tariff. If it is necessary to put on a reasonable amount of protection for business reasons, I am willing to have it put on. On the other hand, if good business dictates that a thing should be put on the free list, I am for putting it on the free list. I do not think my hon. friend can make very much capital by charging me with being neither free trader nor protectionist. I try to look at this thing from the business standpoint.

My hon. friend also brought up the question of the favoured nations. I did not intend to hark back to reciprocity and refrained from saying anything about what the result would have been if reciprocity had passed. I am one of those who said in 1911 that reciprocity was not dead and I say so now. It is as much alive to-day as ever and will always be until the matter is settled properly. The right hon. the leader of the Opposition, when he attended the Imperial Conference of 1911, secured the passage of a resolution favouring the abrogation of the favoured nation treaties so far as Canada is concerned. This was done for the purpose of putting Canada in a position to abrogate and get rid of these treaties if we wanted to do so. I do not want to allow Germany to send potatoes into Canada if we cannot get a corresponding advantage from them. The same thing applies to Denmark, Holland, Belgium or any other country. I do not know that I would be so patriotic that I would like Great Britain or anybody else to send potatoes in here if I did not think it would be to our benefit as well as to theirs. Therefore, when our friend harks back to the favoured nation treaties he knows that the resolution of my hon. friend from Northumberland has nothing to do with favoured nations, because under the resolution passed by the Imperial Conference, if this Government wants to they can denounce the treaty as against Germany or any other country.

Mr. WHITE: Is the hon. member in favour of putting on the free list all live stock and other products of agriculture in Canada either from Germany or any other country?

Mr. CARVELL: There may be a few exceptions but as a general principle it would be absolutely so and I think it is in the best interests of both producer and consumer in Canada. I would not say that there might not be a few exceptions because no person should be called on without going over the list to give an absolute answer to such a question. As a general thing I believe it would be of great benefit to the people of Canada as a whole. Therefore, I think we can dismiss the result of the favoured nation treaties on this question of potatoes. I stated that the result of this treaty would be to allow the potatoes from Great Britain to come in here free and I have no fault to find with potatoes coming from Great Britain provided they are not prevented by quarantine regulations of some kind.

My hon. friend talked about the home market and tried to show that I was inconsistent in my statement about it being

of no value to the American producer. I stated that I did not believe the free entry of potatoes into Canada would be of any advantage to the American farmer. I said I believed that the American Government might have thought it to be of some advantage or they would not have insisted in their tariff that our potatoes would not enter their country without a corresponding concession on our part. My friends from Ontario, from whom all the opposition has come, do not seem to realize that they do not produce anything like the potatoes which they consume in Ontario.

Mr. HANNA: You do not know what you are talking about.

Mr. CARVELL: The hon. gentleman does not and I know what I am talking about. If the hon. gentleman goes to the Canadian Pacific railway office in Montreal he will find that for the last five or six years we have been exporting into Ontario from New Brunswick anywhere from 500,000 bushels to 1,000,000 bushels a year. These are pretty big figures but we cannot find them in the trade returns because there are no returns for interprovincial trade. The price of potatoes all over the cities of Ontario is entirely governed by the price of potatoes in New Brunswick. New Brunswick potatoes are quoted at from 5 to 10 cents a bag more than the native potatoes. When the American market was practically open to us in October, November and December of 1913 our potatoes practically all went to the American market. Dealers in New Brunswick told me that where they send one car to the Canadian market they send ten to the American. Therefore the price in Ontario of New Brunswick potatoes was governed entirely by the price in Boston and the price of New Brunswick potatoes governs the price of the home product in Ontario. If you take away from Ontario the potatoes we have been sending you—and that will be the result of opening the American market—you will be creating a demand for Ontario potatoes that you have not to-day, you will be compelled to raise half a million bushels a year more.

Mr. BURNHAM: We do not get a New Brunswick potato in the neighbourhood of Peterborough.

Mr. CARVELL: My hon. friend does not know. They get them anyway in Muskoka, which is farther away than Peterborough.

[Mr. Carvell.]

Mr. BURNHAM: I know a potato dealer very well and he says that.

Mr. CARVELL: If my hon. friend will go to his potato dealer and ask him if there has not been a carload of New Brunswick potatoes sold in Peterborough this year, I am satisfied that he will learn that they have been sold; and if he sends a telegram this minute I will pay for the telegram and the reply.

Mr. BURNHAM: You need not. I will tell you something shorter and quicker than that. Senator Ferguson's son from Prince Edward Island is a particular friend of mine in Peterborough, and he deals in potatoes. When there is a shortage in Peterborough through drouth he gets his potatoes from Prince Edward Island; he does not get them at all from New Brunswick.

Mr. CARVELL: There was a time in the spring of 1912 when some potatoes were sent from Prince Edward Island to Peterborough. I happen to have a big lawsuit in progress now over a shipment and I hope to fight it out before very long and of course I want to win; but my hon. friend is evidently not aware that they cannot get potatoes from Prince Edward Island from the last of December until the 1st of April because there is no practical way of getting them across the straits and they have to have them in Peterborough during the winter.

Mr. BURNHAM: I am telling you facts. It is no use trying to put that down my throat.

Mr. CARVELL: I think it is a helpless case; if my hon. friend will not believe me when I tell him that you cannot economically get them across the straits in winter time, I have nothing more to say to him. If he will consult his friends from Prince Edward Island I think he will find that I am pretty nearly correct. If ever there was a chance for my hon. friend to use an aeroplane in a commercial way it would be in getting potatoes across the straits in the winter time. However, the home market in Ontario would be immensely benefited by the reduction of this duty or the making of potatoes free in the United States because it would absolutely divert from Ontario the half million bushels which we are sending annually from the Maritime provinces.

Mr. DeWITT FOSTER: Will the price go up?

Mr. CARVELL: Will it go up to the Ontario farmer?

Mr. FOSTER: Yes.

Mr. CARVELL: Of course it will.

Mr. FOSTER: How will that affect the consumer?

Mr. CARVELL: It certainly will mean that he will pay a little more at some times and a little less at others; a little more in the winter months and a little less in the summer months. While it will help the Ontario producer it will not hurt the Ontario consumer. I have tried to make my statement to the Minister of Finance. I am sorry to have taken up the time of the House to this extent, but I felt it was only fair to myself and to the cause which I have so much at heart that I should give this answer to what the minister has said. I hope the minister will think it over for if he does he will see that it is a perfectly logical and accurate argument according to the facts. I am afraid it is too much to ask my hon. friend to change his views, because he has got to be such a hidebound protectionist that nothing will move him from that standpoint, but I do hope that I have convinced some of the Ontario farmers behind him that they had better think twice before voting against a proposition having such important ramification as this has.

Mr. NESBITT: After the very lucid explanation which the hon. Minister of Agriculture (Mr. Burrell) gave, and in which he stated that there was reason for the American Government putting an embargo on potatoes from the Maritime provinces, was it wise for the Minister of Finance to charge a great and friendly nation like the United States with sharp practice in putting on that embargo against Canada? I think nobody can take any other meet meaning out of the hon. gentleman's speech.

Mr. W. T. WHITE: This was my argument, and it was perfectly plain: I said that some of the Maine farmers upon the reduction of the duties by the Underwood tariff, had sent agents to New Brunswick, according to the statement of the hon. member for Carleton (Mr. Carvell), to ascertain if there was any powdery scab upon the potatoes raised there. I said that they had taken the initiative, and I also said—and I think that my hon. friend agreed with me—that if the duty had not been reduced the farmers would not have taken the initiative, and would not have brought the influences to bear which resulted in the investigation. I did not say then, and I do not say now, that the officials of the United States who held this investigation acted with any impropriety but that they would not have acted at all if the Maine farmers, of whom my hon. friend spoke this afternoon, had not taken the initiative. I believe he agreed with that view. I do not know if there is any powdery scab on the potatoes of New Brunswick or not, and I do not know whether the hon. Minister of Agriculture said there was or not. I was not dealing with the question of whether there was or not. I was dealing with this only, that by reason of the reduction of the tariff the farmers of Maine had taken the initiative which had brought about the embargo. I do not say whether it was properly imposed; I do not know whether it was or not. But I say that the amendment of the hon. member for Northumberland, and the arguments which have been used in support of it, to the effect that the United States would be inclined to put an end to the embargo at an earlier date than they otherwise would if we gave free access for their potatoes to our markets, cast doubt upon their good faith in continuing the embargo. I did not cast that doubt. My hon. friend (Mr. Nesbitt) had better look to his own side for the implication, because I have made none. I have been dealing with the resolution, and I take the same view of it as was taken by my hon. friend the Minister of Agriculture, namely, that its effect is to cast doubt upon the good faith of the United States Government in maintaining that embargo. I have made no such statement as that. The resolution implies that, and that is one of the reasons why it should be rejected.

Mr. NESBITT: I only put the question so that my hon. friend the Minister of Finance could have an opportunity of saying whether he intended that a minister of the Crown of Canada should question the good faith of a great and friendly nation like the United States.

Mr. WHITE: I certainly do not.

Mr. NESBITT: We in Ontario had no reason to complain of their good faith in so far as cattle, etc., are concerned. I do not think it is wise for a minister of the Crown, no matter what he may think, to question the good faith of a friendly nation.

Amendment (Mr. Loggie) negatived: Yeas, 33; nays, 60.

Item agreed to.

113. Cocoanuts, desiccated, sweetened or not, per pound—British preferential, 3 cents; intermediate, 4 cents; general, 4 cents.

Mr. A. K. MACLEAN: Is there any change in that?

Mr. W. T. WHITE: There is a change rendered necessary by the action of last year in reference to the West Indian treaty. Previous to the negotiation of the West Indian treaty the rates were: British preferential, 3 cents; and general, 5 cents. On account of the West Indian theaty, and, in making the adjustment that was necessary in order to meet its provisions, we changed the rate to 3 cents British preferential, and 4 cents general tariff.

Immediately after the Budget was brought down last year, complaint was made by the manufacturers of dessicated cocoanut that the adjustment we had made was unfair to them and really prevented them from carrying on business in competition with the manufacturers of Ceylon. In Canada cocoanuts are bought in the West Indies. A bag of cocoanuts weighs 160 pounds and the freight has to be paid on that 160 pounds, while the product obtained from 160 pounds is only thirty-three pounds. The manufacturer in Ceylon who has cocoanuts at his own door, manufactures his desiccated cocoanut and ships it into Canada without having to pay the freight for hundreds of miles on cocoanuts, producing only one-fifth of their weight in product. I sent Mr. Russell to Montreal to inquire whether the complaint was well founded, and he reported it was, and in order to rectify what was an undoubted injustice to the cocoanut manufacturers of Canada, by reason of the changes which were rendered necessary by the West Indian treaty, we have had to propose this modification in the tariff and to increase the two cents British preference to three cents, in order that our manufacturers may be in as good a position as they were before the negotiation of the West Indian treaty.

Mr. OLIVER: Has item 99a, evaporated bananas, anything to do with the West Indian treaty?

Mr. WHITE: That is intended to promote West Indian trade and to put this commodity the trade in which is increasing between the West Indies and ourselves, upon the same basis as currants and raisins.

Mr. OLIVER: Is the rate increased or decreased?

Mr. WHITE: It will come in now free from the British West Indies. The value is about eight cents per pound and the former rate was—British preference seventeen and one-half per cent; intermediate, twenty-two and one-quarter per cent; general, thirty-five per cent.

Mr. LEMIEUX: What is it?

Mr. WHITE: The Jamaica Food Products Company wrote to say that they were importing evaporated bananas from Jamaica, which business was said to be increasing with prospects of an enormous trade being built up in it. They say the evaporated bananas cannot be manufactured in Canada, as the fruit requires to be ripened on the tree, allowing all the starch therein to be turned in to fruit sugar.

Item agreed to.

Amyl alcohol or refined fusil oil, when imported by the Department of Inland Revenue or by a person licensed by the Minister of Inland Revneue, to be denatured for use in the manufacture of metal varnishes or lacquers, to be entered at ports prescribed by regulations of the Ministers of Customs and Inland Revenue, subject to the Inland Revenue Act and to the regulations of the Department of Inland Revenue—British preferential, free; intermediate, free; general, free.

Mr. OLIVER: What is the explanation of this?

Mr. WHITE: With the restriction mentioned in 157-a, amyl alcohol or refined fusil oil is placed upon the free list. The reason for the change is to encourage the manufacture of metal lacquers in Canada. The duty on amyl alcohol, which cannot be procured in Canada, is $2.40 per gallon under the present tariff, while the varnish made therefrom is dutiable at about 60 cents per gallon. In other words, $2.40 would have to be paid upon the raw material by the manufacture of lacquer, and by reason of this condition metal varnishes or lacquers cannot be made in Canada. An American firm has embarked upon the business of manufacturing metal varnishes or lacquers in the town of Port Hope. They were unaware, not having been advised, that this duty of $2.40 existed, and having

got their plant installed and being ready to manufacture, they found they would have to pay this duty. I need not say to you that the good town of Port Hope was sorely disturbed about the matter, and upon representations having been made we brought down this tariff change which makes amyl alcohol or refined fusil oil, free, with the limitation mentioned in the item. A license of $50 a year will have to be paid by the parties importing and using this amyl alcohol, and 50 cents a gallon excise will have to be paid, and they will also have to pay for the time of the Inland Revenue officers in making the necessary inspection.

Item agreed to.

Provided that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by Customs Revenue stamps, under regulations by the Minister of Customs, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be.....each—British preferential, 1 cent; intermediate, 1 cent; general, 1 cent.

Mr. OLIVER: What is referred to here?

Mr. WHITE: Item 178 of the Customs tariff relates to advertising and printed matter. A great deal of that matter comes in from outside, being sent in by firms desiring to advertise in Canada, not necessarily consigned to any party purchasing it, and it is dutiable under the provisions of item 178. When sent in in envelopes it is held at the frontier and the party has to be communicated with in order that the duty may be paid upon advertising matter which may weigh an ounce or two only. The Commissioner of Customs has suggested that the difficulties which have arisen under the present system can be met by the proviso in this item that Customs revenue stamps may be used, with the exception mentioned, namely, that on each separate package weighing not more than one ounce, the duty shall not be more than one cent, a cent being the smallest coin we mint. As the rate is fifteen cents a pound under item 178, and as there are sixteen ounces to the pound, a cent will be charged for the ounce and stamps may be used.

Item agreed to.

184. Newspapers, and quarterly, monthly, and semi-monthly magazines, and weekly literary papers, unbound; tailors', milliners' and mantle-makers' fashion plates when imported in single copies in sheet form with magazines or periodical trade journals—British preferential, free; intermediate, free; general, free.

Mr. WHITE: I am told that it was the original intention of the tariff of 1907 to provide that only single copies of fashion plates should come in free; but the item has been abused, and fashion plates are being ordered abroad and being brought in free of duty under this item. The intention of the amendment is to provide that single copies only shall be brought in with these newspapers and magazines. The result will be that these fashion plates will now be lithographed and printed in Canada instead of abroad.

Mr. LEMIEUX: What was the duty before?

Mr. WHITE: It was all under item 178—15 cents per pound.

Mr. A. K. MACLEAN: What is to be the tariff on fashion plates hereafter?

Mr. WHITE: That will fall under item 178—15 cents per pound.

Mr. MACLEAN: Were magazines and newspapers dutiable before?

Mr. WHITE: Magazines were not. The item is modified. If my hon. friend will look at item 184 in the tariff as it is now, he will observe that it stops short at the words 'fashion plates.' Under the change that I have made that item disappears, and item 184, as it appears in the tariff resolution, is inserted.

Mr. A. K. MACLEAN: Is not there any post office regulation prohibiting fashion plates coming through the mails in a periodical journal of any kind? Why would they come in single copies with journals?

Mr. LEMIEUX: As supplements.

Mr. WHITE: They are continually being sent in that way. The Ladies' Home Journal and other journals may have fashion plates enclosed. Some of the larger departmental stores have been giving their orders for fashion plates and for some of their advertising matter abroad, and bringing them in under this item free of duty. We think that business might fairly be reserved under a protective tariff to the printers and lithographers of Canada. It has been a very much discussed question; and I have on record here a number of letters from engraving companies stating that this matter has been under consideration for a long time and that it is of very great importance to the trade.

Mr. LEMIEUX: There is a duty on catalogues, is there not?

Mr. WHITE: Ten and fifteen cents per pound.

Mr. LEMIEUX: Do you propose to maintain that duty?

Mr. WHITE: Yes.

Item agreed to.

188a. Decalcomania paper not printed when imported by manufacturers of decalcomania transfers to be used in their own factories in the manufacture of decalcomania transfers—British preferential, free; intermediate, free; general, free.

Mr. A. K. MACLEAN: Tell us the meaning of that first word, and we will let the item go through.

Mr. WHITE: I do not wonder at my hon. friend's asking that question. That word puzzled me for some little time. The decalcomania paper is used in making decalcomania transfers. There is a process of transferring prints from paper and making them adhere to glass, porcelain and other articles. Decalcomonia transfers are chiefly used for advertising purposes.

Mr. SINCLAIR: Is it of advantage to the paper-makers?

Mr. WHITE: Not to my knowledge. These people get in the decalcomania paper, which is not made in Canada, free under this item. They can put on their aluminum letters and transfer them to glass, porcelain and other articles.

Item agreed to.

208. Boracic acid and borax in packages of not less than twenty-five pounds weight; hydrofluosilicic acid; oxalic acid; tannic acid; ammonia, sulphate of; sal ammoniac and nitrate of ammonia; cyanide of potassium; cyanide of sodium and cyanogen bromide for reducing metals in mining operations; antimony salts, viz.:—tartar emetic, chlorine and lactate (antomonine); arsenous oxide; oxide of cobalt; oxide of tin; bichloride of tin; tin crystals; oxide of copper; precipitate of copper, crude; sulphate of copper (blue vitriol); verdigris or subacetate of copper, dry; sulphate of iron (copperas); sulphate of zinc; chloride of zinc; sulphur and brimstone, crude or in roll or flour; cream of tartar, in crystals or argols; tartaric acid crystals; iodine, crude; bromide; phosphorus; sulphide of arsenic; carbon bisulphide—British preferential, free; intermediate, free; general, free.

Mr. A. K. MACLEAN: What is the change in this item?

Mr. WHITE: I would call attention to item 208a—chloride of lime and hypochlorite of lime. We have taken out of this item 208a of the tariff, chloride of lime and hypochlorite of lime, and we have inserted in it carbon bisulphide. Item 208 of the present tariff is repealed, and the new item 208 takes its place. We have placed carbon bisulphide on the free list because it is an article used in exterminating fruit and grain pests. We have been requested by the British Columbia Government through its Minister of Agriculture to place carbon bisulphide upon the free list.

Item agreed to.

208a. Chloride of lime and hypochlorite of lime—

1. When in packages of not less than twenty-five pounds weight each, per one hundred pounds—British preferential, 10 cents; intermediate, 15 cents; general, 15 cents.

2. When in packages of less than twenty-five pounds in weight each—British preferential, 17½ per cent; intermediate, 25 per cent; general, 25 per cent.

Mr. OLIVER: Why is chloride of lime subject to a duty when it was not subject before?

Mr. WHITE: If my hon. friend will look at item 210 and take up the two items together, I think I can more intelligently explain the matter. There is at Windsor, Ont., a salt plant, and there are, as my hon. friends know, deposits of salt in several parts of Ontario. The Windsor plant has at the present time a capacity of 4,000,000 pounds of caustic soda. This company have had no duty upon caustic soda which is one of the products of salt manufacture; nor have they had any duty upon chloride of lime or upon hypochlorite of lime, which are by-products on caustic soda production. They have been making application for a considerable time for a reasonable tariff in respect of these two articles. They have set forth the view that they could double their plant and their output and supply all the caustic soda, chloride of lime and hypochloride of lime required in Canada with a reasonable protection.

Mr. A. K. MACLEAN: Without increasing the price, I hope.

Mr. WHITE: I hope so. Sometimes our hopes are not realized, I know. But I think that in time, with an increased output, there would be no substantial increase in the price. The committee will observe that the rates are specific, and they amount to about eleven per cent British preferential and sixteen and one-half per cent general tariff. The differentiation is shown in the items of the tariff as follows:

Caustic soda:
1. When in packages of not less than twenty-five pounds weight; free.
2. When in packages of less than twenty-five pounds weight; British preferential, 10 per cent; intermediate, 12½ per cent; general, 15 per cent.

These are on the free list when in packages of not less than twenty-five pounds. But when in packages of less than twenty-five pounds, the duty under the British preferential is ten per cent and under the general tariff fifteen per cent; now to be increased to seventeen and one-half and twenty-five per cent. The consumption in Canada is about 16,000,000 pounds and the material is used by soap manufacturers, cotton manufacturers—for bleaching purposes; chloride of lime, as hon. members know, is commercially known as 'bleaching powder'—by pulp and paper manufacturers and other industries. But these will not be affected to any serious extent.

Mr. NESBITT: Does the hon. minister mean to say that these people in Windsor will not put up the price? They would be crazy if they did not; there would be no use in protecting them from competition if they are to go on selling at the price of competition. This caustic soda is used largely by soap manufacturers. They buy it by the carload. So, while the duty is small—

Mr. WHITE: About 3 cents per 100 pound of soap.

Mr. NESBITT:—yet because of the large quantities used, this change will make quite a difference in the cost of the raw material. While I have nothing to say against my hon. friend from Essex, and do not wish to prevent this factory succeeding, I hardly think the benefit of the community from this industry will be sufficient to offset the increase in price of the material. These people have increased their price of salt in the last four or five years quite sufficiently to make a profit without protecting them on chloride of lime and caustic soda. The barrel of salt that we used to get for 90 cents we are now paying $1.55 for.

Mr. WHITE: Of course, the hon. gentleman is quite right; the tendency will be to increase the price. But I would not say that the price would be permanently increased, and I hope not. But discussing a similar question last night in connection with structural steel, I said that no doubt the price would be higher—otherwise, as the hon. gentleman said, there would be no use in imposing the duty. But this is not to raise the price necessarily, but to give the benefit of the market to the home manufacturer. There is no use in blinking the fact that we may look for a slight increase in price. Some representations have been made to me on behalf of those affected, but generally they look at it in a fair-minded way. The soap-makers say: We have, speaking generally, a protection of 15 to 35 per cent, and we can hardly deny the caustic soda and bleaching powder manufacturer a reasonable protection on his product. For the most part, I have been surprised at the fair-mindedness they have exhibited with regard to this proposed change, against which, of course, they cannot urge any objection on principle.

Mr. A. K. MACLEAN: Is the industry worth having?

Mr. WHITE: No doubt. If I were to give the floor to my hon. friend from North Essex (Mr. Wilcox), I have no doubt he could talk for an hour on that subject.

Mr. GRAHAM: Do not do it.

Mr. WILCOX: Let the item pass or I will.

Mr. OLIVER: Carried.

Mr. WHITE: The number of employees at present in the chemical plant is sixty-five and the value of that plant $750,000. Steps have been taken already to duplicate that plant in view of this tariff change.

Mr. A. K. MACLEAN: Is this not a by-product of salt? And in giving the number of employees, does not that include those engaged in the production of salt?

Mr. WHITE: No, these are in the chemical plant. I cannot put the doctrine of reasonable protection on a higher basis than to say that we get the manufacturers here if we have it and we do not get them if we do not have it.

Mr. A. K. MACLEAN: But it is of very questionable value to the country, particularly where there is only one industry.

Mr. NESBITT: While I agree with the Minister of Finance in many respects, he must bear in mind that in the salt business they have a great number of men already employed, whereas this industry, even if doubled will only mean from 120 to 130

employees, and labourers at that—not experts by any manner or means.

Mr. WHITE: There are other establishments; there are large salt deposits in Ontario, as the hon. gentleman knows.

Mr. NESBITT: Of course there are, and what I say is that they should be able to make enough money out of the increased price of salt to be able to do without this protection on their by-products. There is no doubt that there is an arrangement among the salt people as to prices. Everybody knows that. You can no more break a price than you could if the industry were in the hands of one man. Therefore, I am not strongly in favour of putting on duty for that sort of people when, as the minister no doubt knows, there is an arrangement among them as to price.

Mr. WHITE: I do not know that.

Mr. NESBITT: But ordinary farmers, poor devils like myself, who have to buy salt, do not like these arrangements when the price rises so high. If they would be reasonable, if they would put it up to a reasonable amount it would be different. I am prepared to stand my portion of the duty to help anybody out, but there is reason in all things. And to compare this chemical factory with the steel industry is a very peculiar comparison.

Mr. WHITE: The principle is the same.

Mr. BOIVIN: Why is there a difference in the duty on chloride of lime in packages of different sizes.

Mr. WHITE: I cannot give that information off-hand. I will try to get it for my hon. friend to-morrow.

296. Flint, ground flint stones, felspar, fluorspar, magnesite, mica schist, cliff, chalk, china or Cornwall stone, ground or unground, refuse stone, not sawn, hammered or chiselled nor fit for flagstones, building stone or paving—British preferential, free; intermediate, free; general, free.

Mr. A. K. MACLEAN: Were the articles enumerated in this item previously on the dutiable list? If so, what is the change?

Mr. WHITE: Mica schist is admitted free of duty under the present tariff. There has been some doubt in the minds of the customs officials as to whether under the existing tariff it should be admitted free, and we have decided, in order to clear the matter up, to put mica schist upon the free list. The change proposed in this item will make talc or soapstone dutiable under item 711 at fifteen per cent British preferential, seventeen and one-half intermediate and seventeen and one-half general. In other words, talc or soapstone, which was formerly on the free list, is now dutiable at seventeen and one-half per cent general tariff. I may say that this article may be obtained in unlimited quantities in the county of Hastings, Ontario.

Item agreed to.

Progress reported.

On motion of Mr. Borden, the House adjourned at 12.07 a.m., Thursday.

Thursday, April 30, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

INTERCOLONIAL RAILWAY TRAFFIC.

Mr. SINCLAIR:

1. How many tons of freight were carried by the Intercolonial railway during the year ending March 31, 1913, distinguishing between eastbound and westbound traffic?
2. How many tons of the freight referred to in paragraph one, originated in the province of Nova Scotia, including all freight delivered to the said Intercolonial railway at the seaports of the said province?
3. What was the gross amount received by said railway during said year for passenger traffic in Nova Scotia, New Brunswick and Quebec, respectively?
4. How many tons of the total freight carried by the Intercolonial railway during the said year originated in the provinces of Quebec and New Brunswick respectively?

Mr. J. D. REID:

1. Number of tons of freight carried by the Intercolonial railway during the year ending March 31, 1913: Total eastbound, 2,182,084 tons; total westbound, 3,021,385 tons. Grand total, 5,203,469 tons.

2. Number of tons of freight referred to in paragraph one, originating in the province of Nova Scotia, including all freight delivered to the said Intercolonial railway at the seaports of said province, total, 2,693,024 tons. Of this amount, 99,308 tons were delivered to the Intercolonial railway by steamship at Nova Scotia seaports for furtherance by rail.

3. The gross amount received by the Intercolonial railway during the said year for tickets sold for passenger traffic in Nova Scotia, New Brunswick, and Quebec, respectively, was as follows: Nova Scotia,

$1,128,640.07; New Brunswick, $670,343.47; Quebec, $844,783.09. Total, $2,643,766.63.

4. The total number of tons of freight carried by the Intercolonial during the said year originating in the provinces of Quebec and New Brunswick is as follows: Total number of tons originating in province of New Brunswick, 799,824 tons; total number of tons originating in province of Quebec, 1,088,406 tons.

ROYAL CANADIAN REGIMENT BAND.

*Mr. KYTE:

1. Who authorized the band of the Royal Canadian Regiment to take part in a demonstration in connection with a public meeting in the Province building, Halifax, on the evening of Wednesday, April 8, 1914?

2. Who requested the services of the said band to take part in the demonstration?

3. Was any payment made for the services of said band, and by whom was payment made?

4. If payment has not been made, is there any charge made against any person in connection with such service?

Mr. SAM. HUGHES:

1. The officer commanding the Royal Canadian Regiment, under the provisions of paragraph 875, K. R. & O. (Canada), 1910, as amended by H.Q. 35-1-5, of 7th March, 1914.

2. F. Pennington Bligh, Esq.

3. No.

4. A charge of $45 has been made against C. R. Hoben, Esq.

SHERBROOKE DRILL HALL.

Mr. McCREA:

1. From whom was the site for a drill hall in Sherbrooke, Que., North Ward, purchased, and at what price?

2. Was the contract to build the drill hall let by tender??

3. If so, what is the amount of each tender?

4. Was the contract let to the lowest tenderer?

5. Was there any allowance for extra work? If so, for what amount?

Mr. SAM. HUGHES:

1. F. O. Loomis; $10,000 for site and old court house building, which is intended for the armoury part.

2. Yes.

3. Loomis-Dakin, Limited, $28,600; Theo. Hally $42,214.

4. Yes.

5. Yes; $6,810.

MELVILLE POST OFFICE.

Mr. MACNUTT:

1. Has the Government received any applications for a post office building for the town of Melville, Saskatchewan?

2. If so, from whom and of what nature?

3. If any such application or applications were incurred?

Mr. PELLETIER:

1. Yes.

2. Melville Conservative Association, and others asking for a post office building.

3. Communications acknowledged and referred to the Public Works Department.

CANADIAN PACIFIC RAILWAY BRIDGE, LACHINE.

Mr. LANCTOT:

1. Were any arrangements arrived at between the Government and the Canadian Pacific Railway Company in connection with the passing of vehicles on the latter company's bridge between Caughnawaga and Lachine?

2. Is the Government aware that during the last Chateauguay election the Conservatives who took part in such election are said to have stated to the electors of that county that that question was settled, and also that the plans have been published in the newspaper La Patrie, of Montreal, and distributed by thousands everywhere in the county during the election, showing in one of the plans the part added to the Lachine bridge and intended for vehicles?

3. Has the Government made any agreement with the Canadian Pacific Railway Company to that effect? If so, what is the agreement?

4. What will be the amount to be paid by the Canadian Government to the Canadian Pacific for such work?

5. Is it the intention of the Government to place in the supplementary Estimates the necessary amount for the performance of this work?

Mr. J. D. REID:

1. Not so far as the Department of Railways and Canals is concerned:

2, 3, 4 and 5. Answered by No. 1.

SPANISH SHIP BAY WHARF.

Mr. SINCLAIR:

1. On what date was work started on the public wharf at Spanish Ship bay, N.S.?

2. Is the wharf completed?

3. What is the value of the material at present on hand?

4. If the work is being done by day work, who is foreman?

5. What remuneration has been paid to the foreman?

6. If there were other foreman employed, what is the name and remuneration of each?

7. How much has been spent on the wharf up to this date?

8. On what date does the department estimate this wharf will be completed?

9. Who is the inspector and what remuneration has he received?

10. If the wharf has not been completed, why not?

Mr. ROGERS:

1. Only materials purchased, 1913.

2. No.

3. $625.

4. Arthur McKinlay.

5. $80 per month, amounting to $115.38.

6. None either.

7. $300 spent in fiscal year 1913-14.

8. This depends on when appropriations are available.

9. None.

10. Could not be completed last year because timber could not be delivered in time and, vote then available was not sufficient.

HUDSON BAY RAILWAY CONSTRUCTION.

Mr. GRAHAM:

1. When did the party of men with horses, who left Le Pas for Port Nelson in January last, reach Port Nelson?

2. How many men were in the party when leaving Le Pas?

3. How many of these men reached Port Nelson?

4. How many horses were taken by the party from Le Pas?

5. How many horses reached Port Nelson?

6. Who was in charge of the party?

Mr. J. D. REID:

1. April 9th.

2. 103.

3. A number of these men left and returned to LePas; others left the employ of the department to engage with railway contractors, while men employed on railway construction engaged with the department. 148 men went through to Port Nelson, and are now employed there.

4. 50: to haul supplies and outfit for road-making part.

5. None. It was not intended that horses should go through to Nelson.

6. J. F. Pratt.

DREDGING AT STE. ANNE DE RESTIGOUCHE.

Mr. C. MARCIL:

1. How much has been expended to date in dredging at Ste. Anne de Restigouche, Quebec?

2. Is the work completed?

3. How much of the expenditure was incurred previous to September 21, 1911, and how much since?

Mr. ROGERS:

1. $19,805.36.

2. The department has been requested to do further dredging.

3. Since September 21, 1911, $17,589.12; previous to September 21, 1911, $2,207.24, at Champeau wharf and Mission Point.

SOUTHPORT FISH HATCHERY.

Mr. A. A. McLEAN:

1. Have any steps been taken to collect speckled trout eggs in Prince Edward Island for the propagation in the Kelly's pond, Southport hatchery?

[Mr. Rogers.]

2. If so, in what years and with what success?

3. What quantities and kinds of fry have been distributed from this hatchery each year since it was erected, and where placed?

4. What distribution is expected this season?

Mr. HAZEN:

1. Yes.

2. 1907. No eggs collected. Parent fish were stolen from crates by unknown persons. 1911, 7,000 eggs collected; 1912, 134,000; 1913, 459,600.

3.

1906: Morell river, 200,000 salmon fry; Winter, 300,000; Wheatley, 100,000; Dunk, 100,000; Mores, 20,000.

1907: Morell river, 140,000 salmon fry; Midgell, 140,000; Fortune, 60,000; Murray, 60,000; Winter, 160,000; Black, 60,000; Wheatley, 60,000; Dunk, 80,000; North, 30,000.

1908: Coffin's pond, 12,500 grey trout fry; lake Verde, 12,500; Wisner's pond, 12,500; Thompson's pond, 12,500; North lake, 30,000 salmon fry; Morell river, 200,000; Neufrage, 100,000; Fortune, 100,000; Murray, 80,000; Winter, 200,000; Wheatley, 60,000; North, 50,000; Dunk, 80,000.

1909: Winter river, 370,000 salmon fry; Morell, 226,000; Dunk, 72,000; Beaton's Mills, 72,000; Fyne Valley, 72,000; Clyde river, 72,000; Wheatley, 72,000; Black, 72,000; Murray, 72,000; Midgell, 72,000.

1910: Wright's stream, 10,000 speckled trout fry; Gates, 10,000; Sentner's, 10,000; Crosby's, 10,000; Curtis', 10,000; Winter river, 432,000 salmon fry; Clyde, 72,000; North, 72,000; Black, 72,000; Dunk, 72,000; Murray, 72,000; Midgell, 72,000; Morell, 288,000.

1911: Morell river, 315,000 salmon fry; Baker's, 252,000; Winter, 189,000; North, 189,000; Coleman, 63,000; Indian, 63,000; Dunk, 63,000; Murray, 63,000.

1912: Winter river, 4,000 speckled trout fry; Sherry's, 3,000; North, 216,000 salmon fry; Morell, 216,000; Winter, 216,000; Sherry's, 108,000; Dunk, 54,000; Tyne Valley, 54,000; Bray river, 54,000; Wheatley river, 54,000; Midgell, 54,000.

1913: Sherry's river, 5,000 speckled trout fry; Hardy's, 15,000; North, 30,000; Dunk, 14,000; Morell, 30,000; Winter, 14,000; Sherry's river, 72,000 salmon fry; North, 144,000; Dunk, 72,000; Morell, 216,000; Winter, 72,000; Indian, 72,000; Gurney's, 72,000; Belle, 200,000; Midgell, 72,000; Wheatley, 72,000.

4. Approximately 1,100,000 salmon and 400,000 speckled trout fry.

POST OFFICE DEPARTMENT AUTOMOBILE.

Mr. CARVELL:

1. Has the Post Office Department purchased a new automobile? If so, on what date?
2. What was the price paid for said automobile?
3. For what use has said automobile been purchased?

Mr. PELLETIER:

1. Yes; December 16, 1913.
2. $4,950.
3. For use at Ottawa in connection with the Post Office Department.

SS. CANADA.

Mr. SINCLAIR:

For what purpose did the Department of the Naval Service order the steamship Canada to Shelburne, N.S., in August, 1913?

Mr. HAZEN: C.G.S. Canada was authorized to proceed to Shelburne on the request of the captain of the ship, before taking up duties on the coast of Cape Breton.

LAND PATENTS.

Mr. OLIVER:

1. Has patent been issued for the W. ½ of section 1, township 60, range 5, west of the 5th meridian?
2. Was patent issued in respect of South African scrip entry?
3. To whom was patent issued?

Mr. ROCHE:

1. No.
2 and 3. Answered by No. 1.

Mr. OLIVER:

1. Has patent been issued for the S.E. ¼ of section 12, township 53, range 6, west of the 5th meridian?
2. When was entry made?
3. Who made entry?

Mr. ROCHE:

1. No.
2. 20th of February, 1913.
3. Donald Smith.

NATIONAL TRANSCONTINENTAL RAILWAY COAL CHUTES.

Mr. GRAHAM:

1. Has Roberts and Schaefer of Chicago the contract for building coal chutes on the National Transcontinental?
2. What is the price for piles delivered and driven?
3. Is any of this work being done at O'Brien, the first divisional point east of Cochrane?
4. If so, has it been sub-let? If so, to whom, and at what price?

Mr. J. D. REID:

1. Yes.
2. $2.50 per lineal foot.
3. Yes.
4. Yes. Structural steel to Dominion Bridge Company; electrical work to Canadian General Electric Company. The department has no knowledge of what price.

ROCKY POINT WHARF.

Mr. J. J. HUGHES:

1. Did the Government purchase a site for a wharf, and a right of way from Malcolm McKinnon of Rocky Point, near Charlottetown, P.E.I.?
2. If so, when was said purchase made, and what price was paid?
3. Does the Government intend to build a wharf on this site? If not, why not?

Mr. ROGERS:

1. Yes.
2. September, 1913, for $275.
3. No; better accommodation can be secured at the site of the present provincial ferry wharf near the harbour mouth.

ST. JEROME WHARF.

* Mr. LEMIEUX:

1. To whom was the contract awarded for the stone for the wharf at St. Jerome, county of Chicoutimi?
2. What is the amount of the contract?
3. What quantity of stone has been supplied so far?

Mr. ROGERS:

1 and 2. No contract.
3. Last year, stone was supplied to the value of $1,187.59.

QUESTIONS OF PRIVILEGE.

On the Orders of the Day being called:

Mr. FISHER: As a matter of privilege, I wish to draw the attention of the House to an article which appeared in the Toronto Globe of yesterday which among many others misstatements, contains the following:

> In addition, there is a strong hydro-electric wing of the Government's support which is said to be bitterly hostile to aiding the Mackenzie interests while the hydro-electric project of Ontario, which Hon. Adam Beck has carried on from its inception against the active antagonism of what is called the 'Mackenzie electrical ring,' is given the go-by. This element is said to include Mr. Gordon Wilson, of Wentworth, Mr. Donald Sutherland, of South Oxford, Mr. William Smith, of South Ontario, Mr. W. A. Clarke, of North Wellington, and Mr. J. H. Fisher, of Brant.

I simply wish to say that, as far as I am concerned, there is not the slightest foundation for that statement; it is absolutely untrue. I am only sorry, Mr. Speaker, that the rules of the House prevent me from characterizing this statement in the language which I would like

to use, and which I have already used outside the House.

Mr. J. A. M. ARMSTRONG: Through the customary lack of veracity that so often characterizes the Toronto Globe, I am placed in the same category with the hon. member for Brant (Mr. Fisher). I would like to read another paragraph in the article to which my hon. friend has already alluded:

> Other members who for the past few weeks have been prominent in well defined rumours connecting them with outspoken opposition to the deal are. Mr. Andrew Broder, of Dundas, who stated that he was not present at to-day's caucus, but had informed Premier Borden personally as to his position on the matter; Mr. Bernard Hepburn, of Prince Edward; Colonel J. A. Currie, of North Simcoe; Mr. E. N. Rhodes, of Cumberland, N.S.; Mr. W. A. Boys, of South Simcoe; Mr. J. A. M. Armstrong, North York; Mr. J. A. Best, of Dufferin; Mr. A. C. Macdonell, South Toronto; Dr. M. Steele, South Perth; and Mr. H. J. Walker, of Northumberland.

The article is false on the face of it because it states that for the past few weeks these members have been outspoken in their criticism of the deal. Speaking for myself, I did not know what the deal would be until a few days ago, so this article is false like so many other articles appearing in the Toronto Globe. I wish to take this opportunity of characterizing that statement, so far as I am concerned, as a deliberate falsehood.

Mr. SMITH: I wish to draw your attention, Mr. Speaker, to the statement read from the Toronto Globe by the hon. member for Brant, in which my name is included. I may say that the Canadian Northern railway have no warmer friend either in this House or out of it than I have been. Everything in that statement is untrue.

Mr. WALKER: I also wish to state that the article, so far as I am concerned, is entirely untrue; and I want it distinctly understood that I am entirely in accord with the stand the Government has taken in regard to the matter.

Mr. SUTHERLAND: Mr. Speaker, I rise to a question of privilege in order to show how rapidly a falsehood can spread. I wish to read from the Daily Sentinel Review of Woodstock, published in the county in which I live, an article which is as follows:

> Despatches from Ottawa this morning state that there is a strong hydro-electric ring of Conservative members opposed to the granting of $45,000,000 to Mackenzie and Mann interests in the Canadian Northern railway. These members are opposed on the ground that the hydro-electric radial plan was set aside by the Government while Mackenzie and Mann are being favoured. Among these members, so the despatches state, is Donald Sutherland, representative for South Oxford.

I wish to state, Mr. Speaker, that in so far as I am concerned there is no foundation for this despatch which they claim came from Ottawa. As has already been pointed out by the hon. member for Brant (Mr. Fisher) and the hon. member for South Ontario (Mr. Smith), there is absolutely no ground for it in this instance, and I think it is an abuse of the privileges of the representatives of the press in this House that they will send out wilfully, deliberately, and of malice aforethought, despatches which they must know to be false.

Mr. GERMAN: Would the hon. gentleman allow me to ask him a question? Is the hon. gentleman in favour of the resolution on the Order Paper in connection with Mackenzie and Mann?

Mr. SUTHERLAND: I will answer that at the proper time.

Mr. BEST: In regard to the article from yesterday's Globe read by the hon. member for Brant (Mr. Fisher), wherein my name is used, I want to say that the statement in absolutely untrue. I never gave any reason to anybody, either directly or indirectly, which would justify the use of my name in that article. I did not know anything about what deal was going to be made until it was brought up in the caucus and I am satisfied that the Government has made the very best deal they possibly could. I think that this article is on a par with the greater part of the articles that appear in the Globe.

Mr. RHODES: With respect to the article in the Toronto Globe as read by the hon. member for Brant (Mr. Fisher) and the hon. member for North York (Mr. Armstrong), in so far as it mentions my name, I wish to borrow the adjective used by these hon. gentlemen in respect to that article and to say that it is absolutely false. Perhaps I might conclude by saying that I believe these proposals are as good as the Government could possibly have made, and they have my heartiest approval.

WAYS AND MEANS—THE TARIFF.

The House again in Committee of Ways and Means, Mr. Blondin in the Chair.

Mr. A. K. MACLEAN: Before we proceed to the consideration of further items I would like to ask the Minister of Finance a question respecting items No. 208a and 210a which were passed last evening. What is the capital invested in the plant at Windsor, Ontario, which is now manufacturing chloride of lime and caustic soda ?

Mr. WHITE: The information I have is that the value of the chemical plant is $750,000.

306. Marble, sawn or sand rubbed, not polished; granite, sawn; paving blocks of stone; flag stone and building stone, other than marble or granite, sawn on not more than two sides—British preferential, 15 per cent. intermediate, 20 per cent; general, 20 per cent.

Mr. OLIVER: Is this an increase or a decrease ?

Mr. WHITE: This is somewhat an important item. I think my hon. friend will understand it better if I give a brief explanation as to this item and the two succeeding items. The rates fixed in respect to the articles mentioned in this item are the same as to British Preferention and General as before. In other words: Rough stone and stone sawn on not more than two sides may be brought into Canada, when the new tariff goes into effect, at the same rate as before. The rates have been increased on building stone, under item 306a, other than marble or granite sawn on more than two sides but not sawn on more than four sides, and item 306b says:

306b. Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides.

We have increased the duty upon the more finished stone. On stone sawn only on two sides the rate is the same as before. On building stone sawn on two sides, but not sawn on more than four sides, the rate has been fixed at 10 cents Preferential, and 15 cents General per 100 pounds.

Mr. A. K. MACLEAN: What would that be ad valorem ?

Mr. WHITE: It would vary. The cheapest stone is worth 55 cents per cubic foot, and some other stone will run as high as one dollar per cubic foot. A cubic foot weighs about 160 pounds. The increase in the tariff is on the more finished article. Stone sawn on more than two sides and finished, under item 306b, will run from 30 per cent to 40 per cent ad valorem, the previous rates being twenty per cent British preference.

Mr. PARDEE: I desire to speak on this item on account of certain information I have received respecting a public building in the town of Walkerville. I myself know nothing about the building. The minister, in discussing this item in his Budget speech, as reported in 'Hansard,' said:

There is very great difficulty in administering the tariff to-day on account of the difficulty in ascertaining the value of finished, dressed stone coming in as an import. The average ad valorem of the specific rate which I have quoted is 30 per cent upon turned, planed, cut or further finished stone. I propose a rate of 45 cents per 100 pounds, which is equal to 30 per cent ad valorem.

As I understand it, this is done in the interest of the stonecutters of the Dominion of Canada. There is a quarry very close to Canada, at Bedford, Indiana, from which a great deal of this stone is imported in the finished state into Canada for public buildings. It would cost little more to bring in this stone in the finished state and pay the duty on it at the old rate than it would to bring the rough stone in and have it cut here. The argument is that, if the Government desire to help the stonecutters of the Dominion, they should prohibit the importation of the harder kinds of stone of which there are a great many quarries in the Dominion, principally in New Brunswick. In the Dominion there are no quarries of the kind of stone on which the minister proposes to increase the duty. In regard to the public building at Walkerville, my informant writes me as follows:

Herewith quotations covering all the stone for the Walkerville post office, f.o.b., Bedford, Indiana:

Alternate No. 1 includes the two courses for the foundation and step sides:—Stone, f.o.b., Bedford, price, $372; old duty, $74.20; new duty, $266.40; difference, $192.20.

Alternate No. 2 includes the steps:—Stone, f.o.b., Bedford, price, $187; old duty, $37.40; new duty, $133.65; difference, $96.25.

Alternate No. 3 includes the base course and copping on step walls:—Stone, f.o.b., Bedford, price, $457; old duty, $91.40; new duty, $327.60; difference, $266.20.

Alternate No. 4 includes all above the base course:—Stone, f.o.b., Bedford, price, $7,635; old duty, $1,727; new duty, $6,069.60; difference, $4,342.60

I am merely quoting this building as an instance where this stone is used, to show the difference that will be made in the price providing the change in the tariff brought down by the minister goes through. If these figures are correct—and my informant is a practical stone man who takes contracts for

this class of work in a great many places in Ontario—the minister will see that it is practically a prohibitive duty. From these figures and taking the facts as they stand, namely, that this stone can be procured in the way I have mentioned, and that there are many quarries of the harder stone in Canada, it appears to me that, if this duty were put on the hard stone and left off this stone, it would be of more advantage to the stonecutters than the duty which the minister proposes to impose. We have an almost inexhaustible supply of granite at St. John, St. George, and other parts of the Dominion. If the duty on this cut stone were lowered to a reasonable amount and not made, as it is at present, absolutely prohibitive, the object for which the tariff is increased would be fairly well brought about.

Mr. WHITE: I am sorry that, on account of the noise that has prevailed in the House, I have been unable to follow my hon. friend as I should have liked, but I gather in a general way that he is arguing that this duty is prohibitive and that the price of finished stone will be greatly increased to the consumer in Canada. We have not increased the duty upon rough stone, or stone sawn on not more than two sides; that stone will come in, whether from the quarry in the United States that my hon. friend has in mind or from other United States quarries, at the same rate as before. What I intend to accomplish by this increase is, that the stone so brought in shall as far as possible be cut and finished in Canada by Canadian stonecutters. This matter has been before the Government for many years, and no item in the tariff has been more persistently or more earnestly brought to my attention since I have been Minister of Finance than this item relating to cut stone. I have here so much material that I would not know how to use it all, and I would not think of putting even a fraction of it upon 'Hansard.' I have here, for example, a bundle of petitions with respect to this matter, signed by members of the Stonecutting and Quarry Trades of Canada and by builders' exchanges from all parts of Canada. I will just read the endorsement upon this bundle of petitions, which bears the superscription of the Montreal Builders' Exchange:

We endorse the petition being presented by the Stonecutting and Quarry Trades of Canada. We desire to have the duty on all kinds of building stone except rough quarry blocks placed on a properly protective basis in the interest of quarrymen, stonecutters and stone contractors throughout the Dominion of Canada, namely, 65 cents per cubic foot, to be measured at its extreme dimensions.

My hon. friend will observe that the tariff modifications which we propose do not go nearly so far as that; but the allied stone industry of Canada, that is, the stonemen—the stonecutters and the stone contractors—have asked the Government, not only once but repeatedly, to give them a reasonable degree of protection so that the men engaged in the stonecutting trade, who from time to time, especially in the winter, are out of work in Canada, shall have the opportunity of dressing and cutting the stone used in the erection of buildings in Canada. If the stone to which my hon. friend refers comes in in the rough or dressed on not more than two sides, there is no reason why the cost to the consumers, that is to say, the parties, firms, corporations, or municipalities, erecting buildings, should be more than the cost of the raw material plus the cost of the labour bestowed upon that by Canadian artisans. I do not see that it can be any more than that. I have received requests for the revision of the tariff in respect of this item from the Journeymen Stone Cutters' Association of America, from the following branches: St. Marc des Carrières, Quebec; Quebec city, Montreal, St. Martin, Neilsonville, Terrebonne, Belanger Village, St. Michel, London, Ontario, Niagara Falls, Port Arthur, Ottawa, Kingston, Peterborough, Toronto, Winnipeg, St. Boniface, Tyndall, Calgary, Edmonton, Moosejaw, Regina, Vancouver and Victoria. Builders associations and builders exchanges in various places have also asked for this, putting it on the ground that they desire to have the opportunity of dressing and finishing the stone brought into Canada for use in the construction of our buildings. My own view is that if stone is brought in in the rough, the rate of duty being increased only on the dressed stone, the only increase that could take place to the consumer would be the cost of the labour bestowed by Canadian artisans after it is brought in, and the legislation proposed, whether well designed or not, is to accomplish that object. It is in the interest of the artisans, the stonecutters of Canada, and indirectly, as I stated in the Budget, it will be of advantage to Canadian quarrymen. I desire to read for the information of the committee extracts from the petitions that have

been received by me from the various stonecutters associations I have mentioned.

Mr. PARDEE: If the duty on rough stone is not to be increased where does the advantage to the quarrymen come in?

Mr. WHITE: The advantage will be an indirect advantage. It will make generally for the development of the stonecutting in Canada. The quarry industry in Canada is not in a very satisfactory condition, nor is the stonecutting industry. My hon. friend seemed to doubt whether this legislation would be of any benefit to the stonecutter of Canada. I have a letter from the Journeymen Stonecutters' Association, signed by the secretary, and dated 24th of March, 1914, which is in part as follows:

I was instructed by the Stonecutters' Union to write in regard to tho stone tariff. We have no doubt that you have read the article in a recent issue of the Montreal Daily Mail in which it is stated that half the wealth of a nation is in its buildings. For a great many of the buildings mentioned in the article stone is brought from the United States ready to set though there was a large number of stonecutters around here looking for work. We think that if the tariff was raised on cut stone, contractors would cut their stone in Canada instead of getting it from the United States and in that way employ Canadian stonecutters and other connected with stone.

Mr. PARDEE: According to that letter, they hope that the stone will be cut in Canada. But the trouble is that the stone taken out at Bedford is in the rough, but it is allowed to be dressed there, they only pay freight on the dressed stone, and so they can get it to the point where it is to be used much cheaper.

Mr. WHITE: That is one of the very reasons for this legislation. The freight upon stone, whether rough or dressed, is according to its weight, and in the dressing the reduction of weight is considerable. The customs tariff hitherto has been uniform, being 20 per cent upon stone whether rough or dressed. If stone was brought into Canada in the rough, and a higher freight charge had to be paid than if it was brought in dressed, the result of the tariff, so far as it was designed to benefit the stonecutting industry in Canada was completely nullified, because the difference in freight more than neutralized the tariff advantage which was evidently the design of Parliament to give under the item in question. There is no doubt about this in the minds of the stonecutters of Canada. If the hon. gentleman will look through the mass of petitions and correspondence, extending over two or three years, that I have here, he can come to only one conclusion, and that is that there is no doubt in the minds of the stonecutters that it would be of advantage to them. This legislation is brought down because it is urged upon the Government, and the Government desire to bring about a benefit to the stonecutting industry in Canada.

Mr. A. K. MACLEAN: Is it sound economy to do so?

Mr. WHITE: Absolutely, I believe. Why should not stone be cut in this country and dressed by Canadian workmen?

Mr. A. K. MACLEAN: I have never given much consideration to the matter, but I should rather be inclined to believe that it would be of advantage to the country, and especially to the artisans and consumers, that stone should be made as cheap as possible, and that therefore it should be on the free list.

Mr. WHITE: Dressed stone?

Mr. MACLEAN: All kinds of stone.

Mr. WHITE: Of course, it is open to my hon. friend to put forward that view. But the quarry owners of the country have a very different opinion. My hon. friend from West Lambton (Mr. Pardee) argues that this does not benefit the quarrymen of Canada. So, my hon. friend from West Lambton and my hon. friend from Halifax (Mr. Maclean) are evidently wide apart upon the question.

Mr. PARDEE: I simply asked how it benefits the quarrymen.

Mr. WHITE: Let me ask my hon. friend, would he be in favour of taking the duty off stone, having regard to the condition of the quarry industry in Canada?

Mr. PARDEE: I have not given consideration to that matter.

Mr. TURRIFF: How about the interest of the consumer?

Mr. WHITE: We will come to that. The tariff has not been changed with regard to rough stone or stone sawn on not more than two sides. So, if the stone is cut in Canada by Canadian workmen, at reasonable rates, and if the stonecutting industry can thereby be developed I do not see how the consumer is disadvantaged. It seems to me a wise tariff policy to admit raw material in on the free list or at a low rate, and that the finishing of the raw material

into the manufactured product should, as far as possible, be done by Canadians. Now, this matter seems to be of considerable interest to my hon. friend from West Lambton, and so I propose to read from the petitions we have received from the builders exchanges throughout Canada. The following representations appear in these petitions:

The statement given herewith constitutes the petition of stonecutting and quarry trade section of the Montreal Builders' Exchange. Our body desires to have the duty on all kinds of building stone, except rough quarry blocks, placed on a properly protected basis in the interests of quarrymen, stonecutters and stone contractors throughout the Dominion of Canada. Copies of this statement are now being signed from one end of the country to the other, and will be forwarded to you in due course before the meeting of Parliament.

The languishing industry for whose life we plead is that of the stone quarrymen, the stonecutters and the stone contractors of Canada. The Government statistics report that last year there were already more than sixty quarries in operation in the West alone. We who represent the capital invested in them know better than any one else under what immense difficulties they are kept alive—where they are not already practically closed—but these figures show the immense possibilities of this industry in a part of the country where industries are scarce; and these possibilities are of course quite as great—if not greater—in other provinces. Quarrying is an industry exceptionally localized and native. The very weight of the material handled should rivet it to the soil. That it does not do so in Canada, with its abundance of good stone, is proof positive that we are suffering from an altogether unusual and unjust competition.

There was a time when Canada quarried her own stone and even invaded successfully the American market. In many of the great American cities there rise to-day monuments to these victories of the past. The finest buildings of that time were built with Canadian stone; and when the American owners desire even now to enlarge or alter them, they must still come to our quarries to get similar material. But the shrewd and ambitious Americans were very unwilling to be dependent upon a foreign country for their building material. So the McKinley tariff put a duty of 50 per cent on building stone, except marble, and 65 cents a cubic foot on marble, with a view to shutting out the Canadian product and creating an American stone industry.

That duty did its work. Protection protected. A great American stone industry grew up which now not only satisfies the immense American demand, but dominates the Canadian situation and is slowly grinding our stone industry to powder. Our protection against this highly protected and splendidly organized and well equipped foreign industry is only 20 per cent on the face of the tariff; and—as we shall show—is really very much less than that. The 20 per cent is the duty on all building stone, sawn or dressed, which the customs authorities rule covers practically all American manufactured stone imported. There is a duty of 35 per cent on manufactures of marble or granite, and of 30 per cent on manufactures of stone; but under the ruling of our Customs Department, these duties are almost wholly inoperative.

The reason for this is also one of the reasons why the new American industry is so successful. By modern methods stone is manufactured for shipment when it is sawn. The up-to-date diamond saws render it unnecessary to manufacture it any further. It is then ready for the building and comes in under the 20 per cent duty. So the Americans are able to send in their manufactured stone under the description 'sawn' and escape with no more than a duty of 20 per cent. This 20 per cent, however, is levied upon their invoices—not upon the prices with which we must compete. They have an adroit system of bookkeeping by which they show that various other charges than the value of the stone are incorporated in the price they charge in Canada—as, for example, freight, cartage, insurance, etc. These items are taken from the total and they pay duty only on what they will admit is the quarry value of their stone. The result is that they are 'dumping' most flagrantly all the time.

And this whole question is a subject which deeply concerns Canadian labour. Formerly we had the best quarrymen and stonecutters on the continent. When the McKinley tariff drew our industry over to the United States, our workmen followed it. We would like to get them back. But they will not come back until we can offer them permanent employment and we can only do this when we are assured of our own market. We shall be compelled to pay them higher wages than they get in the United States, as the climatic conditions there permit of more continuous work during the winter months.

I desire to read the concluding paragraphs of this petition, which was signed, as I say, by the stonecutters' and builders' exchanges in all parts of Canada:

As we have intimated before, we are satisfied that no system of ad valorem duties will adequately protect our industry. Our foreign competitors are too fertile in devising means to avoid the intended effect of such duties. They have already succeeded in nullifying the plain intention of the Canadian Parliament by making our 30 and 35 per cent duties inoperative; and they have gone very much further, and, by a system of manipulated invoices, greatly reduced the effect of even the 20 per cent duty they nominally pay. Hence we are in favour of establishing a duty which will not be a high percentage on the proper and honest value of the article in question, but which will prevent misunderstanding and fraud. This should be a specific duty; and we should suggest a specific tariff of 65 cents a cubic foot on building stone of any kind, sawn, dressed, hewn, polished or otherwise manufactured. This is the very lowest minimum duty which can be of the slightest service to us; and we have named it badly with a view to taking the Government into our confidence and laying all our cards on the table. In order to make this effective at all, it must also be enacted that the stone be measured at its extreme dimensions, thus forestalling trouble in the matter of measurements.

If we are granted this protection, we think that we can confidently guarantee the Govern-

ment that a widespread and important stone industry will grow up in Canada. Once more our cities will be built of Canadian stone manufactured by Canadian labour. The great buildings which are now rising in every centre in the land from the Atlantic to the Pacific will be monuments to Canadian natural wealth, to Canadian progress and to Canadian skill.

This legislation, whether wise or unwise, has been brought down by the Government by reason of the strong, earnest and continuous representations made to them by the stonecutters of Canada. They say that the present tariff affords them no protection and that they see no reason why the stonecutters of Canada should not dress and cut the stone used in Canadian buildings. If the stone of quarries not only of the United States but of other countries is desired for use in Canadian buildings, that stone may be brought in under the existing rates and may be dressed and further manufactured by the Canadian artisan. Personally, I cannot see why the cost of the stone, if not manufactured on more than two sides, should be increased beyond the cost of the raw material, plus the cost of the labour which would be bestowed upon it in Canada. It is a fact that, notwithstanding the enormous building activity in Canada, there are frequent and prolonged periods of unemployment for the Canadian stonecutters, when they drift across the line in the winter, whereas they might be continuously employed here. It does seem to me that if any protective legislation is justifiable, legislation of this character can certainly be justified upon the grounds that I have mentioned.

4 p.m.

Mr. LOGGIE: I received a letter from the proprietor of a quarry in my county and, although it does not necessarily express my own opinion, I would like the minister to consider what this quarry owner has to say with regard to this increase of duty. The letter is as follows:

> This proposed change is solely in the interests of the large cut stone contractors, as the duty on rough blocks, 15 per cent, and on stone sawn on two sides, 20 per cent, is left unchanged. On the other hand, the duty is to be raised on stone sawn on four sides or further manufactured.

That, I think, is an error; the duty is not to be raised if the stone is not to be sawn on more than four sides. Item 306b means that there is a duty of 15 cents per hundred pounds on stone sawn on two sides, including also stone sawn on four sides. The 45 cent rate is on stone further manufactured than sawn on four sides.

Mr. WHITE: That last statement I think is correct; further manufactured than sawn on four sides is the higher rate.

Mr. EMMERSON: How does that help the stone cutters if you allow it in sawn on the four sides?

Mr. LOGGIE: My correspondent proceeds:

> On the other hand the duty is to be raised on stone sawed on four sides or further manufactured. If there is to be a change in the tariff, surely the quarrying industry—developing our own resources—is as worthy of increased protection as the cut stone industry—working largely on imported stone.
>
> As far as the stonecutter, as we know him, is concerned, the proposed change will make little difference to him. His work is mostly on local stone, as Montreal limestone and Maritime province stones, where the cutting is largely done by hand. On the other hand the large contractors working with imported stone, do most of their work with machinery.
>
> We have properties in your country that we propose to develop as soon as we get the necessary capital. It is the opinion of myself, and of very many people—architects and others—that Miramichi stone is the best and the most beautiful building stone on the continent. The Langevin Block, Ottawa, Lord Strathcona's house and the Birk's building, Montreal, are well known examples of work in which this stone has been used.

Every hon. gentleman present knows the stone because it is used in the Langevin block in Ottawa. I bring this matter to the attention of the minister in the hope that he may consider if he is treating our quarry men fairly in raising the duty on stone manufactured further than sawn on four sides to 45 cents and not increasing it on ordinary rough stone.

Mr. WHITE: Is it the opinion of my hon. friend that the tariff on rough stone finished on any more than two sides should be increased?

Mr. LOGGIE: It is the opinion of my friend who is writing to me, and I am not expressing my personal opinion on the matter. My correspondent is a quarry man interested in a quarry in my county and I want the minister to consider his representation of these matters. If I were asked an opinion personally I would say not to increase the duty, to leave the matter as it is.

Mr. TURRIFF: The more this matter is looked into the more we will discover that it is exactly like other particular changes in the tariff, in the interest of the big manufacturers of cut stone, not in the interest of the consumer. There is

no question whatever that if this increased duty is levied you practically shut off all competition from outside and you will raise the cost of every building in which cut stone is used in the future. While possibly a larger amount of the work that is done will be done by Canadian stone-cutters, the result will be, in the end, an increase in the cost of building with cut stone, so that under the increased duty the Canadian stone-cutters will cut less stone than at the present. During the Budget debate I drew the attention of the minister to one particular case. I do not pretend to be posted on this matter and I would be most averse to taking work away from the Canadian stone cutter. But there is more than the Canadian stone-cutter to consider. One of the reports that the minister has just read pointed out that there were 60 quarries in the West, which, according to the report, are in a languishing condition. Why are they in a languishing condition? Because their prices are simply prohibitive. They want to have matters in their own hand now and their prices under the increased duty will be practically prohibitive. I drew the attention of the House to one circumstance that came under my own knowledge in connection with an office building in which I was interested which was being erected in Regina. They wanted cut stone in the front of the building. They instructed the architect to get prices on cut stone and to get the stone in Canada if possible. They sent down to Winnipeg where there are several quarries in operation and asked for prices. We got the stone delivered in Regina, freight and duty paid, for $1,600 less than the amount of the Canadian tenders, although the American tenderer paid the duty and freight two or three times as far as the freight from the quarries near Winnipeg to Regina. The stone near Winnipeg is first-class stone and would have been entirely satisfactory, but the prices were exorbitant; and if the Government now steps in and shuts off all competition a few of the large stone cutting firms will reap all the benefit, there is no question about that. They will make more money, but I claim that the Canadian quarry man, the Canadian stone-cutter will not reap any benefit and the Canadian consumer will get it where my hon. friend is generally inclined to give it to him, in the neck.

Mr. BRADBURY: Why will not the stone-cutter reap any benefit?

[Mr. Turriff.]

Mr. TURRIFF: Simply because the increased price will shut out the use of cut stone for trimming buildings. They will use brick and cement instead.

Mr. WHITE: My hon. friend says that this tariff change will not inure to the benefit of the stone-cutters.

Mr. TURRIFF: Not in the end.

Mr. WHITE: The opinion of the journeymen stone-cutters themselves ought to be as valuable at least as that of my hon. friend. I hold here petitions signed by stone-cutters associations from all parts of Canada. Many of these have been sent in to me by members who have been interested in this subject. I deem it of so much importance, in view of the statements made by my hon. friend that this will not inure to the benefit of the stone-cutters, that I am going to place one of these petitions on 'Hansard.' I will read it, as my hon. friend will find it interesting:

We, the officers of the Journeymen Stonecutters Association of North America, Montreal branch, have been authorized by a meeting of council held in Montreal on November 6, 1912, to call to your notice and ask you to give your favourable consideration to the following request:

We might state that we have a membership of about seven hundred mechanics, stonecutters and carvers in Montreal, and there are fully as many more scattered around in the province of Quebec, besides quarrymen and helpers employed in conjunction with us. Our very existence is being threatened by the invasion of stone imported from the United States, cut and finished, ready for erection in buildings owing to the present conditions of the tariff which does not protect our industries. This is caused largely by the improvements in machinery and transportation, but if the tariff was framed to allow only rough stone to be imported we are convinced that more machinery would be installed in Canada and our industry would get its natural expansion instead of the trade going from us.

We have taken cognizance of the petition dated October 8, 1912, presented by the Montreal Builders' Exchange. We agree with this petition and indorse it in every way. It would be useless to go further into details which are so well defined. It is in our interests as well as in the interests of capital that the cut stone and quarry industries get the protection asked for.

It would give us much steadier work if the tariff was adjusted as our employers would adjust their plants for winter work. Many large jobs have been cut outside of Canada when members of our Union have been idle here. This applies all over Canada. The stonecutters of the West are in a worse position than we are.

The Canadian quarries are not being developed simply because they are unable to compete with the cut stone imported from outside. We know that we have the stone in Canada but

the quarries have not been worked and opened up. The quarries south of Canada were not developed until the great demand for cut stone came along; now we have an immense demand in Canada for first class buildings employing a lot of stone and we would request that the opportunity be given for the development of Canadian quarries. We have only scratched the surface of the rock in Canada and have not got down to the best layers of stone in any of the quarries. We would request our share of the expansion and prosperity which Canada is enjoying at the present time.

This petition is signed by journeymen's associations all over Canada. The journeymen should know where their interests lie, and when my hon. friend makes the assertion that this tariff change will not be of any benefit to the stonecutters of Canada, I can only conclude that he pays not the slightest attention to the expression of their opinion, as given in the petition I have just read.

Mr. TURRIFF: Does my hon. friend think that the stonecutters and quarrymen are the best judges in that matter?

Mr. WHITE: The stonecutters are the best judges as to whether this particular legislation will advantage them or not; as to whether it will have the effect of giving them employment in winter in finishing stone imported for use in buildings in Canada. My hon. friend has referred to the stone industry in the West. I agree with him that Canada ought to produce all the stone required for use in the construction of buildings throughout the Dominion. We have unlimited quantities of stone, but it is a fact that the quarrying industry of Canada has not developed as we might have expected. Complaint has been made that this is due to the fact that under the McKinley tariff Canadian stone was shut out almost entirely from the United States, and that by reason of the low Canadian tariff, cut stone was imported from the United States to meet the requirements of Canada. The result has been, according to the quarrymen's contention, that the Canadian quarries have not been developed.

In answer to the representations made by my hon. friend from Northumberland (Mr. Loggie) through the letter of his correspondent, I would say that the Government had repeated requests from the quarry interests to increase the duty not only upon finished stone, but upon rough stone. So far the Government has not seen fit to act on these representations. What the correspondent of my hon. friend from Northumberland had in view was that the Government should be asked to increase the duty upon rough stone, which as I have said, has not been done.

Mr. LOGGIE: And sawn on four sides?

Mr. WHITE: Yes, sawn, not only on two sides, but up to four sides. I do not know whether my hon. friend subscribes to the opinion held by his correspondent, but his correspondent undoubtedly asks that the duty on rough stone shall be increased in the interest of Canadian quarries. No doubt a good deal can be said for that view, but so far the Government has not brought down legislation to increase the duty upon rough stone. Whether we shall do so in the future or not I am unable at this moment to say. I have been asked as to how this new legislation will benefit the Canadian quarrymen. I think the answer is supplied in the assertion of my hon. friend from Lambton (Mr. Pardee) that if this legislation goes through, stone in the rough will not be imported. If stone in the rough is not imported, it is obvious that the stone required for Canadian purposes will be supplied from our own quarries, and indirectly, therefore, the Canadian quarry industry will be advantaged by this legislation.

Mr. PARDEE: If you make the duty absolutely prohibitive—and I think the figures that I have quoted prove that it will be—would it not give the Canadian quarrymen power to charge just what they like for their stone, as in the case instanced by my hon. friend from Assiniboia (Mr. Turriff)? It would establish a monopoly.

Mr. WHITE: I do not admit that the duty is prohibitive; 30 to 35 per cent is not generally regarded as prohibitive. An equal duty is imposed on many items in the tariff. My hon. friend must bear in mind that there are many qualities of stone, and that they vary as to price. Take building stone sawn on four sides, for instance; the cheapest is 55 cents per cubic foot, but it runs as high as a dollar. The average duty upon this is about 30 per cent.

Mr. PARDEE: Might I put it in another way? Taking the concrete case of the Walkerville building, if stone f.o.b Bedford costs $7,635, the duty under the old tariff would amount to $1,727; under the new tariff the duty would be $3,200. Does

the minister not consider that a prohibitive duty?

Mr. WHITE: I do not know whether my hon. friend's figures are correct or not; all of us are fallible at times, and my hon. friend may be mistaken as to his figures. But whether correct or not, I would not admit that if a prohibitive duty is imposed on an article that the cost to the Canadian consumer would be the cost of the article in a foreign market plus the duty, because that would presuppose that there was no competition within the tariff wall. I do not admit that for one moment. We have quarries all over Canada competing with each other. It has not been suggested that there is a combine among the quarrymen of Canada. On the contrary, there is competition. As long as the raw material is admitted at a reasonable rate of duty the only question that would arise, unless there is some understanding between all the quarrymen, is this: How much is the additional cost by reason of the fact that the raw material is finished in Canada by Canadian labour? I have not raised the rate upon rough stone and I have not raised the rate on stone sawn on two sides only. Therefore what question can arise? If the rough stone is finished in the United States the cost at the place where it is manufactured in the United States is the cost of the raw material plus the labour. It is precisely the same in Canada. The cost will be the cost of the rough stone, or stone sawn on not more than two sides, imported into Canada plus the cost of the Canadian labour bestowed upon it. The object of this resolution is to bring it about that by a reasonable tariff the Canadian stonecutting industry may get the advantage and the men may get work during the winter months who are now walking the streets idle.

Bedford, Indiana, limestone sawed four sides, 55 cents per cubic foot, f.o.b., quarry.

In respect to stone further manufactured than sawn on four sides the practice in the United States is to sell the stone on the basis of the rough stone plus a charge per hour for the work performed thereon. It is, therefore, impossible to state the exact price charged per cubic foot on finished stone, the requirements of no two customers being alike; the patterns in each case being different with the result that the machine work cost more on one than on the other. Invoices have been examined and the average is about $2 per cubic foot.

The case which has been brought to the attention of my hon. friend may be an extreme one. It is perfectly obvious from this statement that the prices vary. We must look at the average price, and the statement made here is that the average price is about $2 per cubic foot. This duty then would run from 30 to 40 per cent on the finished stone. Rough stone will remain precisely as it is under the present tariff.

Mr. PARDEE: The minister will admit that it is much more expensive to finish stone by all hand work than by the planer. If it is a fact that there is no stone on this side on which the planer can be used it must cost more to the consumer.

Mr. WHITE: Why can they not plane it here?

Mr. PARDEE: They do not do it.

Mr. WHITE: Why not?

Mr. PARDEE: I suppose there must be some good reason why there is no stone produced in Canada that is planed here and as a consequence it must be all done by hand work which makes it more expensive to the consumer. The minister says that, provided the duty is put on as he proposes, even according to the figures I have quoted on the Walkerville building, it does not necessarily mean that as a consequence the consumer will have to pay whatever charge may be asked of him by the producers of Canada because there is competition between the producers and as a result the price will be kept down. But, if my figures are correct, they simply go to show that it will be no time at all, because this tariff is prohibitive of importation, before there is a combine amongst the quarrymen of the Dominion and they will simply lift the prices to whatever height they see fit.

Mr. WHITE: Then we can deal with it.

Mr. PARDEE: It just brings me back to the conclusion that the very minute you put a prohibitive duty upon any article that is used by the public, that minute you make it possible to form a combine and allow the combine to charge what they like to the consumer.

Mr. WILCOX: My hon. friend from Lambton (Mr. Pardee) seems to have based his argument entirely upon the stone that is supposed to enter into the federal building at Walkerville. From what I can gather from the specifications, the stone that is to enter into the construction of that building is Roman stone which is a kind

of artificial stone manufactured in Toronto and which will not come from Bedford. Application has already been made by some other parties who manufacture another kind of stone, which they claim is equally as good as Roman stone, to have their product included in the specifications and the matter is now being considered by the architects in the Department of Public Works. Therefore, I am rather inclined to the view that my hon. friend has received his information from a wrong source and that the stone which will enter into the construction of this building will not come from the United States.

Mr. PARDEE: I did not say that it would come from the United States at all but my argument was based upon the figures which I have quoted and which come from a contractor who has tendered upon the Walkerville building.

Mr. WILCOX: You said that it would come from Bedford, Indiana?

Mr. PARDEE: Certainly, because if he gets the contract the stone will come from Bedford. If a prohibitive duty goes on his tender cannot be considered for one moment and he is shut out.

Mr. WILCOX: I think my hon. friend will agree that under the specifications which have been adopted by the department of Public Works the stone that is to be used is to be Roman stone and that it cannot be the sandstone which comes from Indiana.

Mr. EMMERSON: They will not allow Roman stone in Ontario, will they?

Mr. WILCOX: Oh, yes they will.

Mr. LOGGIE: The minister mentioned a moment ago that he had not raised the duty on stone sawn on two sides. I infer from that, that he is in doubt as to whether the duty on stone sawn on four sides has been raised. Would the minister mind telling me what the ad valorem rate would be equivalent to 15 cents per 100 pounds under item 306b?

Mr. WHITE: I have said that the average ad valorem rate is 30 per cent.

Mr. LOGGIE: As I understood the minister had not raised the duty on stone sawn on four sides but as a matter of fact he has.

Mr. WHITE: No.

Mr. LOGGIE: Well, I understand that under the present tariff it comes in at a rate of 20 per cent?

Mr. WHITE: Yes.

Mr. LOGGIE: If 15 cents per 100 pounds is the equivalent of 30 per cent then I am wrong; the minister has raised it 10 per cent.

Mr. WHITE: Yes.

Mr. LOGGIE: Then my correspondent is right and the minister has raised the duty.

Mr. WHITE: Your correspondent is right in this: We have raised the duty upon stone that is sawn on more than two sides. On building stone we have made two classes; on stone that is sawn on more than two sides but not sawn on more than four sides we have made a rate of 15 cents per 100 pounds. Then, under 306b, for

Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides—

which is cut stone, we have made a rate of 45 cents per 100 pounds.

Mr. LOGGIE: I understood the minister to say that the ad valorem rate on stone sawn on four sides would be about 30 per cent. If that be true the cost of planing is very material.

Mr. WHITE: So it is.

Mr. LOGGIE: Then the minister has raised the duty on stone further finished than that to the extent of from 50 to 60 per cent, because it is three times as much on the further manufactured article, namely, 45 cents and it is raised 15 cents when it is manufactured to the extent of being sawn on four sides.

Mr. WHITE: In reducing a specific duty to the ad valorem rate the cost of the article dealt with must be considered.

Mr. LOGGIE: Quite so.

Mr. WHITE: Stone sawn on four sides only is not nearly as expensive as stone that is planed and further finished. The result is that the 45 cents per 100 lb., which appears to my hon. friend to be such a substantial increase, is, I believe, having regard to the value of the stone to which it relates, less than the 15 cents per 100 lbs. rate on stone sawn on four sides only. Where my hon. friend is confused is, that he has failed to recognize the in

crease in value given to the stone by the cutting process to which it is subjected.

Mr. TURRIFF: My hon. friend the minister considers that the stone-cutters and the large firms who deal in cut stone are a sufficient authority for him to grant their request when they place before him the wants of their business. From their statement of the case, he increases the duty largely in accordance with their demand, but when the wheat growers of Canada come to this Government and present their case, the minister and the Government do not consider that they know anything about their business. Their ideas are not considered at all; they are turned down and other interests considered when it comes to deal with their industry. That shows the difference in the treatment handed out on the one hand to the wheat growers of Canada and on the other to the big cut-stone concerns, who wish to shut out all competition and charge any price they choose to the people who put up buildings in which cut stone is used.

Mr. BURNHAM: Taking up the last point, I maintain that the hon. member for Assiniboia is clearly wrong. The wheat raisers of Canada, not considering the West alone, do not want free wheat. Some of the stonecutters of West Peterborough have been out of work for years because the duty has been too low, and for the same reason the stonecutters of the United States have been enjoying the employment that Canadians should have had. Why the Opposition will persist in dragging in the principle of protection and free trade at every available opportunity is more than I can understand, because it really ought to be evident to them by this time that, if you have an evenly, properly balanced system of protection, both the consumer and the producer are relatively in precisely the same position in which they were before that duty was put on. They are in exactly the same relative position as if there were free trade. My hon. friends opposite, however, do not seem to be able to grasp the simple mathematical proposition that if you add equals to equals the results are equal. Add the duty to all and all are equal. It is a very simple proposition, and my hon. friends ought to be able to grasp it. There is a difference as regards the outsider or the foreigner, but we are not legislating for the outsider or the foreigner; we are legislating for ourselves, and there is absolutely no difference between the relative position of the producer and the consumer when each producer, who is also a consumer, receives a fair measure of protection.

These stonecutters of West Peterborough are very desirous of having this legislation passed; and, consistently with the true policy of protection which is so widely and so well promulgated and directed in Canada, and which has resulted to the very great glory and benefit of Canada, I say that we should have this legislation and I hope it will be promptly passed without any further objection.

Mr. BRADBURY: I desire to say a word or two on this question. I have, I suppose, in my county nearly all the quarries in Manitoba. There is at Garson, some thirty-five miles east of the city of Winnipeg, a plant that employs about 250 stonecutters; at least it did when it was in active operation. It is one of the largest quarries in Canada. During the presentation of the last Budget of the Hon. Mr. Fielding, I presented a petition from the stonecutters of Manitoba asking for increased protection, and pointing out that, if they did not get that protection, the industry in which they were engaged would be affected very materially. What has been the result in that institution? Owing to the fact that American stone could be brought in in competition with our own, that institution last year employed less than a quarter of the number it was employing before. The American stone was coming in in a finished condition; all the labour required to finish that stone being procured on the other side of the line. The dressing of the stone is the most valuable part of the work. The stonecutters, who are highly paid men, were leaving Garson, going to the other side of the line and building up industries there instead of in Canada. The protection now afforded to the stonecutters is, to my mind, a wise one.

I can very well understand how the case that the hon. member for Assiniboia (Mr. Turriff) gave us a moment ago in regard to the increased cost of stone at Regina might occur. I can believe there are cases where stone from the other side of the line can be brought in and manufactured in Canada cheaper than stone quarried at Garson, but I do not think there is any such difference in price as my hon. friend has quoted. So far as the case he has mentioned is concerned, he may be absolutely right. Any-

one knows that contractors, when tendering for supplying a certain quantity of stone for a building, are very liable to make mistakes or to ask a greater sum than they are justified in getting for a certain work, but that does not apply generally. On some of the finest buildings in Winnipeg, and before there was any attempt to increase the duty, the contractors were using our Manitoba stone which is as good as any stone in America. This industry is surely worthy of being aided. I admit that it would be wrong to put a prohibitive duty on any article that would give any industry an opportunity to control the market. I do not, however, believe that this duty is prohibitive. The duty on sawn stone and on stone dressed on two sides has been increased only slightly. The rought stone still comes in at the old rate of 20 per cent. One of the hon. gentlemen pointed out that the fact that the stone came in in its rough state entailed an extra cost to the purchaser on account of the extra freight on the waste. Surely the fact that the stone is manufactured in Canada; that our stonecutters are being employed by the thousand to cut off that waste, more than compensates this country for the little extra cost of the freight to bring over that stone. It is the old story over again. If we are going to build up an industry in this country, we have to take care of it, and we have not in the past been taking care of the stone quarries or of the stonecutters.

I do not think there is any part of Canada more directly affected by the proposed change in the stone duties than is the province of Manitoba; and it would be a crime, almost, on the part of the Government if they did not do something at this time to protect that industry. I am strongly in favour of what the minister is trying to do, and I am not at all surprised at the arguments presented by hon. gentlemen on the other side. But I want to tell these gentlemen that while it is all right for those from rural districts like the hon. member for Assiniboia (Mr. Turriff) who can make an appeal to the farmers, that hon. gentleman's friends who have to face the labouring men will find it a different proposition.

Mr. EMMERSON: The Minister of Finance will recall the fact that in the course of some remarks on a former occasion I called his attention to the representations made by certain quarrying interests. I discharged my obligation to my correspondent in bringing to the notice of the Finance Minister the views of my correspondent. I wish now to supplement what I stated by reading from another letter. My correspondent, who is a quarryman, says:

> The change is entirely in the interest of the stonecutters, or builders, or masons, whatever they may be called—perhaps contractors is the better word. The change gives them the right to import stone sawn on two sides as rough stone, and puts the Canadian quarries completely at the mercy of the contractors. They never import stone sawn on four sides, it is always sawn on two sides if sawn at all and is known as 'mill block.'

This is the representation of a quarryman from the Maritime provinces.

Mr. WHITE: Does the hon. member understand that we have not increased the duty upon rough stone?

Mr. EMMERSON: I understand that. The contention I attempted to make was that the change was made in the interest of the contractors, that is, of the men who take contracts to construct a building. It is made easier for them to bring their stone in the form in which they want it—sawn on two sides. In my judgment—only in my judgment, of course—this is not in the interest even of the stonecutter so called, but rather in the interest of the contractor and is against the interest of the thousands of quarrymen employed in the stone quarries throughout Canada.

Mr. WHITE: That view seems to be absolutely inconsistent with what we are at all events attempting to do by this legislation, and I cannot conceive how the hon. gentleman arrives at that conclusion.

Mr. EMMERSON: Because the contractor wants the stone sawn on two sides, he can bring that in more favourably.

Mr. WHITE: But I understood the hon. member for West Lambton to say that that was precisely what would not happen—that stone sawn on two sides would not come in now, and that stone would have to be got from Canadian quarries. That is what I had in view when I stated that indirectly it would help the quarrymen.

Mr. EMMERSON: I am speaking from the standpoint of the eastern quarrymen. The difficulty with him is to get a market in this section of Canada, because of the high transportation charges. The Indiana and Ohio quarrymen have an advantage over the sandstone quarrymen of eastern Canada by reason of the distance and expense of transportation. There is a dis-

position on the part of contractors in this section of Canada to purchase the stone from Indiana and Ohio. They now get it on payment of 20 per cent duty if it is sawn on not more than two sides.

Mr. WHITE: Is it the hon. member's opinion that the Government should raise the duty and keep out the stone from Indiana and Ohio?

Mr. EMMERSON: I am opposed to the raising of all duties.

Mr. WHITE: Then, what is the way out?

Mr. EMMERSON: The hon. minister will pardon me—I am representing for his consideration the views that are presented to me.

Mr. WHITE: I thought they were the hon. gentleman's own views.

Mr. EMMERSON: Not my own views at all. A quarry owner at Montreal writes to me as follows:

> You have no doubt observed in Budget speech that it is proposed to protect the stonecutting industry by increasing the duty on manufactured stone, making it 15 cents per 100 pounds on all stone sawn on four sides, and 45 cents per 100 pounds on further manufactured stone. That will prevent the importation of manufactured stone and is evidently worded in the interest of the stonecutting industry only, with the intention of importing stone sawn on two sides only, or unmanufactured. This, of course, would be of no benefit to the stone-quarrying industry of Canada and will not tend toward its development. It shows a very ungenerous disposition on the part of the stone industry and unfairness on the part of the Government towards the stone-quarrying industry of Canada.

The gentleman who wrote this letter is not a supporter of the Liberal party, but a Conservative. These are his views and he honours me with a request to place them before my hon. friend. Now, the point I wish to make is that if the hon. minister is under the impresssion that he he is favouring the man who handles the chisel and mallet, he is evidently mistaken.

Mr. WHITE: Why?

Mr. EMMERSON: For the simple reason that the contractors can bring in stone sawn on two sides, and they never want it sawn on four sides. And there is less work in connection with the stone sawn on two sides than there is in connection with the rough stone. In the case of the Chateau Laurier, for instance, or the Grand Trunk railway station yonder, the stones that are brought here sawn on two sides go into the building practically without additional labour. That is not Canadian stone, it is American stone. The sawing on more than two sides means the chased or carved work about the stone, which is done in Ohio quarries by machinery.

Mr. WHITE: It is in the mind of my hon. friend's correspondent—I understand that he has not put this forward as his own view—that the Government should have carried the increase further and placed a higher duty upon rough stone and stone sawn upon two sides? What we have done, as I have stated repeatedly to the committee is to leave the duty as it was. We have not reduced it; we have not increased it; we have left as it was the duty upon rough stone and upon stone sawn upon two sides. I think my hon. friend does not appreciate the fact that a great deal of work is done upon the finished stone; that is the work which we are trying to have done in Canada. We thought that the interests of the consumer would be conserved by allowing stone in the rough and sawn on not more than two sides, to come in under the present rates, and that the further dressing could be done in Canada. I point out to my hon. friend that his correspondent evidently had in mind the idea that the Government should have increased the duty upon stone in the rough and upon stone sawn on two sides.

Mr. EMMERSON: I have no knowledge of what was in the mind of my correspondent; I have placed on 'Hansard' his views and suggestions, wherein he stated what he did want. I mentioned at the time that I did not endorse his suggestion, but I submitted them for the benefit of my hon. friend and in order to show what a tangle protection places business in. When you take a step towards protecting some particular class of people, you disturb the equilibrium of others; then you have to go back and attempt to restore that equilibrium, thereby occasioning another disturbance.

Mr. COCKSHUTT: I recall a discussion which took place in the House a few weeks ago in which I, as well as the Minister of Public Works, was criticised because in the construction of the public building in the city of Brantford American instead of Canadian stone had been used. The subject was introduced by the hon. member for North Oxford, who has kept a very watchful eye upon the Brantford building. It appears to me that the minister is trying to meet the views of the hon. member for North Oxford and others who think that Canadian stone

should be used in the construction of Canadian public buildings. I am quite in accordance with that view and I regret
5 p.m. that it was found necessary to use American stone in the construction of the Brantford building. I think the tariff resolution now before the House has in view the doing away with the use of American stone in our Canadian public buildings. The minister is quite consistent when he says that this tariff readjustment is going to improve the quarry industry, and I disagree with the hon. member for Westmorland if he intended to convey the idea that the quarrymen will not be benefited.

Mr. EMMERSON: I was stating not my own views, but the views of quarrymen as to what they thought the result would be.

Mr. COCKSHUTT: I followed the hon. gentleman as closely as possible and I found it very difficult to disentangle his views from those of his correspondent. I am not at all sure whether my hon. friend put any views of his own upon 'Hansard.'

Mr. A. A. McLEAN: How would this increased duty benefit the quarrymen?

Mr. COCKSHUTT: It is evident on the face of it that it will benefit the quarrymen. Heretofore the quarrymen have not had the large machinery for planing the stone on two or four sides, and when the demand for the stone is made sufficiently large and the American stone is kept out when cut on four sides or further manufactured, the result will be the introduction of improved machinery into these smaller quarries, thus enabling the quarrymen to compete with the American manufactured article on even terms. I do not know what quarry the hon. member for Queens, Prince Edward Island, has in view, but I understand that in the province of New Brunswick—in Sackville, for instance—there are quarries which have this improved machinery, which I hope will be further introduced into Canada. I myself think that this Government are laying down the principle that in the construction of any public building to be built of stone, nothing but Canadian stone will be used. It must be evident to hon. gentlemen of the committee that we have ample stone in Canada to erect all our Canadian public buildings, and the use of Canadian stone should be encouraged as much as possible. I believe this resolution of the Minister of Finance will lead to the further production of Canadian stone; that it will result in the introduction of improved machinery and that stone planed, rounded, and manufactured on four sides will be produced in Canada instead of in the United States. The quarrymen will be distinctly benefited by this increase of duty on stone to 30 and 45 cents per hundred pounds. I want to make it perfectly clear that so far as I am concerned I should like to see Canadian stone used in all our Canadian public buildings. After the imposition of the duty which the Finance Minister is asking us to endorse to-day, I believe that no more buildings will be constructed in Brantford or elsewhere in Canada with American stone, because I believe that Canadian stone can successfully compete with the American product.

In addition to what the Finance Minister has presented, I have been waited on by three or four deputations of stonecutters asking for this very thing, that their industry be protected. It is a very large industry. I refer to the men who move about and use mallet and chisel. Anybody who watches the progress of a public building will note that these men are very much in evidence upon the ground. So far as the Brantford building is concerned, up to date about $15,000 has been paid to men who have been cutting stone right there on the ground. That is only in one building. What would it be on all the buildings in Canada if we were to enact legislation that would make it possible for stonecutters to cut all that work upon the ground, to have Canadian and British citizens working upon our own jobs instead of bringing in the stone in a manufactured state from the United States, much of it made by machinery in the very highly specialized quarries of Ohio and Indiana to which the hon. member for Westmorland has referred. I would think that hon. gentleman would be the first to hold up his hands for this duty. I know he would like to help his fellow citizens, but he has the free trade microbe firmly implanted in his brain and he does not think he can stretch a point even to help his own province of New Brunswick in this respect. I venture to say that these correspondents of his and others interested in the stone business in New Brunswick, Nova Scotia, Ontario, Quebec and further west as well, all who are engaged in either the quarry business or in stonecutting, will be in full accord with the action of the minister. I think it is a patriotic and national policy with regard to stone

and public edifices which every member on either side should encourage rather than criticise.

Mr. EMMERSON: I wish to inform my hon. friend that for the last twenty-five or thirty years or even more, they have been sawing stone in the provinces of Nova Scotia and New Brunswick. The initiation of that industry in those provinces was at least contemporaneous with the beginning of the sawn stone industry at Berea, and other points in Ohio. I have very great sympathy for the stone quarrying industry but I have a very great sympathy also for all classes of our people; and while the selfishness of the stone quarry men might lead them to ask us to especially pick them out as being entitled to particular favours there is a great consuming class, a building class, the great mass of the people throughout Canada, who perhaps would take a contrary view. The germ to which my hon. friend refers has been for many years in my brain with respect to the matter.

Mr. COCKSHUTT: Are very many of these small houses or cheaper class of buildings made of stone? Are they not usually made of brick or wood?

Mr. EMMERSON: In our part of Canada wood heretofore has been so very cheap that wooden buildings for residences have prevailed. They can be constructed at a much less cost and we have not so many millionaires although there are a few who live in stone edifices. Many of our public buildings are of stone or of brick.

Mr. A. A. McLEAN: While I appreciate the fact that the minister is putting into effect a very good policy, and that there should be an increase of duty upon stone sawn on four sides, still I think that something should be done for the quarrymen. I would suggest that the duty of fifteen cents should be placed upon rough stone and upon stone sawn on two sides. I believe that if this were done we could develop a stone business in Canada which would fill the requirements of the whole country. To-day the duty of twenty per cent on rough stone is not sufficient. I think that the opinion of all quarrymen in Canada is that twenty per cent on rough stone and on stone sawn on two sides is no protection at all. It may be a benefit to the artisan, to the man engaged in cutting the stone; but will it be a benefit to the quarryman? I think you will find that the opinion of quarrymen all over Canada to-day is that it is no benefit at all. I have letters similar to that read by the hon. member for Westmorland, saying that the majority of the stone which comes in here to-day is stone sawn on two sides. That will still continue on the old twenty per cent basis, and the manufactured stone, of course, will come under the forty-five cent rate. I do not believe that much of that stone comes into Canada to-day. I do not think that the duty now introduced goes far enough. That is my own opinion and the opinion of gentlemen from whom I have received communications who are engaged in the business. I know that the hon. member for Westmorland (Mr. Emmerson) is a free trader ostensibly in certain places. He gave an opinion here as the opinion of a friend of his who was a Liberal-Conservative, but I believe that if he spoke from his own heart he would express the same opinion, perhaps not in this House but to his friends outside.

Mr. EMMERSON: Order.

Mr. OLIVER: The question is not one of free trade against protection, it is a question of a revenue or reasonable tariff against protection. I do not want to be understood as objecting to a reasonable tariff or to the protection that results because of that tariff; but in regard to this item that we have under consideration I think, having listened to the discussion very carefully, that it goes altogether beyond protection and becomes pure piracy. The hon. member from Peterborough (Mr. Burnham) has urged that there should be a balance in all these matters as between that which is protected and that at whose expense protection is given. In this case we have absolutely a minor industry of this country both as to the amount of stone quarried and as to the number of men employed in its quarrying or preparation. Of such a limited character is that industry that everybody knows that all over Canada stone is imported for building purposes. Right here in this city of Ottawa, founded upon a limestone rock, the stone for the largest and latest public buildings—no, I will say the stone for all the later buildings—has been imported. For instance, stone was imported for the Chateau Laurier, the Grand Trunk station, and for a great many office buidings in this city.

Mr. MARCIL: Are not all the Canadian buildings built with Canadian stone?

Mr. OLIVER: Possibly they were a good while ago, but I am speaking of what is

occurring to-day or within the last two or three years. The evidence goes to show that for one reason or another this industry is a minor one, and when my hon. friend undertakes to impose such a measure of protection for a minor industry he is simply taxing the public at large for the benefit of a very small proportion of the community. He is placing the many under contribution for the benefit of a very few.

Mr. BLAIN: May I be permitted to correct my hon. friend when he makes the statement that all the public buildings in Ottawa recently erected have been built with American stone? The Birks building is of New Brunswick stone.

Mr. OLIVER: I did not say all the buildings. I instanced the Chateau Laurier, the Grand Trunk station, and there are several others, including, I think, the Carnegie library. The matter is beyond question. We had a debate in this House a short while ago in regard to the imported stone used in the public building at Brantford, and so it is all over the country. We have the case of the building in Regina, cited by my hon. friend from Assiniboia. If it were an important industry that would be benefited in a measurable degree without injury to the public at large, I could see some reason in my hon. friend's making the change; but when he undertakes to burden the community at large ostensibly for the benefit of an industry which is of an essentially minor character, I say that is not protection—it is piracy, and certainly should not form any part of the policy of a government of this country. There was a tariff on stone before this amendment was brought in. Why was that not a sufficient protection—if you want to call it protection —to those interested in the production of stone, either as quarrymen, builders, or stonecutters. Is it not a fact that stone suitable for building purposes is only found in isolated localities, and that the freight on that stone to the place where it is used is equal in large measure to the actual cost of production? That is to say, the freight is in all cases a large part of the total cost of the stone; therefore, stone situated near where it is going to be used enjoys an advantage, by reason of the freight rate, that with the duty formerly prevailing should be sufficient encouragement and protection to that industry. My hon. friend has mentioned conditions in the West. My hon. friend from Selkirk (Mr. Bradbury) mentioned that in his constituency there are a large number of quarries—and that is true. But from there to the Rocky mountains there are 800 miles of territory where there is actually not one quarry or the possibility of one, but where there is the certainty of there being from day to day and for all time to come an enormous demand for building material. Does my hon. friend think it right that that vast area of country should be compelled to contribute to the industry that is located in his particular constituency? Does he think that is fair? Does he think that is the National Policy? It is a Selkirk policy, but it is not even a western policy.

Mr. BRADBURY: What about the policy you voted for last night?

Mr. OLIVER: Never mind about that. In what way does my hon. friend object to my vote of last night?

Mr. BRADBURY: It was a more selfish policy, so far as the National Policy is concerned, than this, and if it had been carried into effect it would have affected detrimentally farmers all over the country.

Mr. OLIVER: I voted for it because I believed it would have affected beneficially the farmers of my part of the country and of my hon. friend's part of the country.

Mr. BRADBURY: It would have ruined hundreds of people in my constituency.

Mr. OLIVER: Not one. It would have been of benefit to the farmers of my hon. friend's constituency and to the farmers of my own constituency. While on this point, let me say that the vote was a vote to allow the farmer to sell his potatoes where he could find a market for them. My hon. friend from Selkirk to-day is standing up in this House to say that the man who wants to build a good building in the prairie provinces shall not have the privilege of doing it unless he pays an unjust toll to the quarrymen in the constituency of Selkirk or in some other part of the country. That is the difference between the two policies. I say that it goes hard with the men who are refused the privilege of selling their products in the open market to be compelled to buy what they require under the high tariff that the minister sees fit to impose. He has said to-day that it is his purpose to compel them to do so.

Mr. WHITE: To do what?

Mr. OLIVER: To compel those who want to use good stone to pay the price that the quarrymen and stonecutters of Canada see fit to ask.

Mr. WHITE: How many farmers in the Northwest will use cut stone on their buildings?

Mr. OLIVER: The farmers of the Northwest will not use cut stone in their buildings; that is a certainty. More than that, I can tell my hon. friend that unless conditions in the West are changed—as he could change them by a change of policy—the farmers in the Northwest will not be able to build many buildings for many years to come. But there are other people in the Northwest besides the farmers.

Mr. WHITE: Is it not chiefly the large corporations, banks, railway companies and such like, that use cut stone; the Chateau Laurier for example?

Mr. OLIVER: My hon. friend and I are quite in agreement. I have told him that the farmers are not going to use cut stone; they are not even using lumber just now, as his lumber friends will tell him. But there are towns and cities throughout the Northwest which are using cut stone when they can get it at a reasonable price. It is the hope and ambition of the people of every little town, and of every big town too, in the West, to erect handsome buildings, good public buildings, and good private buildings. They desire to use cut stone, so far as possible, in the beautifying of those buildings; and at this particular time when times are harder than they have been for years my hon friend comes forward with a proposition that—as he has repeatedly declared to-day, and everybody knows it—will lay an abnormal tax on the use of cut stone. My hon. friend from Lambton (Mr. Pardee) says it will be a prohibitive tax. I ask my hon. friend if I am not justified in using the expressions I have.

Mr. WHITE: Not by any means.

Mr. OLIVER: Speaking for a country where every particle of stone has to be imported, or brought in from some place outside, the burden is as heavy to-day as it need be by reason of the natural conditions, and it is doubly heavy under the present financial conditions. Yet, at this particular moment, my hon. friend sees fit to come forward with a proposition to put tax upon tax and stop the beautifying and development of those cities and towns throughout the West so far as it lies in his power to do it. Does my hon. friend not know that it is the pride of every little village to have a handsome school building and, in that country of mud and brick, to have a little stone ornamentation upon that building?

Mr. WHITE: Why cannot they have that ornamentation and why cannot the cutting of stone take place in Canada? I am admitting the rough stone at the same rate as before. Why cannot stonecutting industries be developed in Calgary, Regina and a number of other places to supply the needs of the West?

Mr. OLIVER: Can my hon. friend explain why the cut stone industry has not been established there long ago? The stone is there, the demand has been there but we have been importing cut stone from the United States. If the people in the quarry and stone industry have not made provision for meeting the demand in Canada, that is their fault and not ours, and we should not be punished for it. But my hon. friend is going to punish us because the men who own the quarries have not been as enterprising as he thinks they ought to have been. In so far as the consumer is concerned at any rate, my hon. friend undertakes to tie up the whole of the western country and to hand it over to a small number of quarrymen, contractors and stonecutters in order to prevent the erection and beautification of buildings throughout the whole western country.

My hon. friend from Assiniboia (Mr. Turriff) said a few moments ago that this would not ultimately redound to the benefit of the stonecutters. My hon. friend the Minister of Finance did not see fit to take up the matter as my hon. friend from Assiniboia had stated it. My hon. friend from Assiniboia stated, and he stated what was absolutely true, that the increase in the tax on cut stone will prevent the use of cut stone. My hon. friend from Lambton (Mr. Pardee) has given figures which show that the rate is prohibitory under this new tariff. I ask then, if the use of cut stone is going to be prohibited by my hon. friend's tariff, how is the stonecutter going to get employment?

Mr. WHITE: It will not be prohibitive.

Mr. OLIVER: My hon. friend did not contradict the figures of my hon. friend from Lambton, and certainly the figures declare that it is prohibitory. A few minutes ago the hon. member for North

Essex (Mr. Wilcox) told the committee that the Government was erecting a building in Walkerville, and was trimming that building with Roman stone—cement blocks —instead of with good cut stone. Are the stonecutters going to get any work out of that, I would ask my hon. friend the Minister of Finance? If he puts on this imposition so that men cannot use cut stone and are compelled to do without ornamentation or use cement, where is the stonecutter being benefited by the proposal that he makes? My hon. friend has introduced a proposition that he thought some political capital was to be got out of upon the plea that it was going to furnish work for stonecutters. It is not only not going to furnish work for stonecutters, but he is going to do a great and lamentable injury, certainly to the prairie provinces, whatever may be the result in other parts of the country. My hon. friend seems to be very extreme on the question of protection. All that anybody has to do is to come to him with a suggestion for the imposition of taxation on the people of Canada, or of an increase of existing taxation, and forthwith it is imposed or increased.

Mr. WHITE: Oh, no.

Mr. OLIVER: There may be others—

Mr. WHITE: There are others.

Mr. OLIVER: There may be people who have thought of things that my hon. friend has not acceded to, but the list of things that he has acceded to is sufficiently startling, and there is none more inexcusable than the imposition of an increased duty on cut stone.

Mr. WHITE: My hon. friend (Mr. Oliver) appears, as usual, to misunderstand this question. But before I deal with the matter on its merits, in answer to my hon. friend, I desire to call attention to a new theory in economics put forward by the hon. gentleman, which I think merits the attention of the committee. He said that if you had a large, or a major, industry, it would be a proper case for an increase of the tariff.

Mr. OLIVER: I did not.

Mr. WHITE: My hon. friend suggested that without question.

Mr. OLIVER: I beg my hon. friend's pardon.

Mr. WHITE: My hon. friend said that if you had a large industry there might be something said for a tariff increase.

Mr. OLIVER: I said that I could see the reason that my hon. friend would put forward.

Mr. WHITE: All right, let us say that my hon. friend could see it in connection with a large, or major, industry, which industry, being well established, in all probability does not need the assistance of a protective tariff. He says that it is statesmanship in the case of a large industry, but in the case of a minor industry he says it is piracy—statesmanship on the one hand in connection with a large industry that does not need protection, whereas, in the case of the minor industry, it is piracy.

Mr. OLIVER: Sure.

Mr. WHITE: How long will the stone-cuttting industry of Canada remain a minor industry unless we change this tariff? It will continue to remain a minor industry, but if we give this moderate tariff increase, this reasonable degree of protection, there is every prospect of this minor industry becoming a major industry. My hon. friend talked about this tariff change being prohibitory and about the people of the West and other parts of Canada being deprived of the privilege of using cut stone. My hon. friend has failed to understand the changes which the Government proposes. My hon. friend should know that any stone-cutting industry in the West can bring in rough stone and stone sawn on two sides at precisely the same rate as was approved by the Goverment of which he was a member. The tariff has not been increased in respect to stone in the rough and it can be brought from the United States or any other country. What we are seeking to do is to have that stone finished and further manufactured in Canada, and we believe that this change will have the effect of building up the stone-cutting industry and, by indirection, I believe, although that view is not concurred in by some gentlemen on my own side of the House, it will have the effect of assisting in the development of the stone quarries of Canda. I feel that I am on safe ground this afternoon for several reasons. In the first place, I am sure of the facts myself, and in the second place, we have had a great

diversity of view on the other side of the House. We have had one hon. member contending that there should be no tariff upon stone, another, that the proposed changes should not be made, and some others on my own side, and I think one, by suggestion, at all events, upon the other side, putting forward the view that the tariff increases had not gone far enough and that they should be extended so as to give further protection to the quarry industry. I have adopted the middle course, the course which, I think, should recommend itself to this committee, and I therefore submit that this tariff change is reasonable and neither extreme nor prohibitive. An average duty of thirty per cent can not be regarded, under the conditions that exist in Canada to-day, as prohibitive. If my hon. friend will look at the tariff which he approved when he was a member of the late Government, he will find that thirty per cent was not regarded as a prohibitive rate. Why should he now say that it is a prohibitive rate? I absolutely deny that it is prohibitive.

Mr. OLIVER: Is there not a vast difference between thirty per cent on stone and thirty per cent, say, on cotton?

Mr. WHITE: As the tariff goes, thirty per cent is not a prohibitive rate, and this will not have the effect of prohibiting the use of cut stone in Canada. It ought, as a matter of fact, rather to increase the use of cut stone in Canada by building up stonecutting industries here.

Item agreed to.

315. Carbons over six inches in circumference or outside measurement and not exceeding thirty-five inches in circumference or outside measurement—British preferential, free; intermediate, free; general, free.

315a. Carbon electrodes exceeding thirty-five inches in circumference or outside measurement —British preferential, 12½ per cent; intermediate, 20 per cent; general, 20 per cent.

Mr. OLIVER: Is this a change?

Mr. WHITE: Under item 315 of the present Customs tariff, carbons over six inches in circumference are on the free list. The change that we propose in this item is that carbons over six inches in circumference or outside measurement, and not exceeding thirty-five inches in circumference or outside measurement, shall be on the free list. Carbons over thirty-five inches and under six inches in circumference come under the next item, 315a, and are subject to a duty of twenty per cent. In this item 315 I desire to change the word 'six' in the first line to 'three,' so that the item will read:

Carbons over three inches in circumference or outside measurement and not exceeding thirty-five inches in circumference or outside measurement—free.

Mr. EMMERSON: Does that enlarge the free list?

Mr. WHITE: That enlarges the free list in so far as this particular modification is concerned. The reason for the change is to encourage the manufacture of these electrodes at Welland.

Mr. A. K. MACLEAN: Is there any increase in tariff under item 315a?

Mr. WHITE: Yes.

Mr. MACLEAN: Why make a distinction between the two carbons, under and over 35 inches respectively?

Mr. WHITE: Because the carbon electrodes exceeding 35 inches in circumference or outside measurement are now manufactured in Canada by the Electric Metals Limited of Welland. I am sorry that the hon. member for Welland (Mr. German) is not here. He could give us a very lucid explanation of this matter.

Mr. MACLEAN: Why place these carbons on the free list down to 3 inches?

Mr. WHITE: The reason we left the 3 inches is because carbons used for electric lights are subject under item 316 to 35 per cent n.o.p. The rates of duty are now as follows: On electric carbons and carbon points, n.o.p., 35 per cent; carbons between 3 and 35 inches, on the free list; carbons over 35 inches, subject to a duty of 20 per cent, the reason being that carbon electrodes over 35 inches are now manufactured at Welland in sufficient quantities to supply the needs of the country.

Mr. MURPHY: By whom are they used?

Mr. WHITE: In electric furnaces. They are capable of producing intense heat. They may be used even in the smelting of steel. They are used by the American Cyanamid Company to make calcium nitrate, which is made from nitrogen and lime. They are also used in electric furnaces for the purpose of making certain chemicals or even for the smelting of steel.

Item agreed to.

353a. Aluminum leaf or foil—British preferential, free; intermediate, free; general, free.

Mr. GRAHAM: Does that put something else on the dutiable list?

Mr. WHITE: This article, aluminum leaf or foil, is used to make decalcomania transfers which are subject under item 180 to a duty of 15 per cent under the preferential tariff and 22½ per cent under the general tariff. It is also a competitive article as a wrapper with tinfoil, which is on the free list.

Item agreed to.

327a. Silvered lenses for automobile lamps—British preferential, 10 per cent; intermediate, 15 per cent; general, 15 per cent.

Mr. WHITE: The reason for this change is that we desire to encourage the manufacture of automobile lamps in Canada, because these lenses are not manufactured here at present. There are some manufacturers in Hamilton who think they can increase their manufacture of automobile lamps if these silvered lenses are allowed to come in at a lower rate, and therefore we have reduced the duty from 30 to 15 per cent.

Mr. A. K. MACLEAN: That is a case where you encourage manufacturing by reducing the duty?

Mr. WHITE: That may be said, but there is another feature in it. The duty on brass is being restored for a reason that I mentioned in my Budget speech. These manufacturers will have to pay a little more for their brass, and this is a small concession which I think will be useful to them in connection with their manufacture.

Item agreed to.

361. Gold and silver leaf; Dutch or schlag metal leaf; brocade and bronze powders—British preferential, 15 per cent; intermediate, 27½ per cent; general, 27½ per cent.

Mr. A. K. MACLEAN: Is there any change?

Mr. WHITE: This is the same item with the aluminum leaf, which is dealt with in the previous item, left out.

Mr. EMMERSON: In the order of the items the next is 375. Referring to the Customs Tariff of 1907, item 372, we find a reference to basic furnace slag. I do not wish to take up the time of the committee at present in discussing this matter; but when we are considering the Bill on its second reading, I propose to offer an amendment relating to that item on basic slag, and also with respect to item 663 which treats of fertilizers, compounded or manufactured.

Item agreed to.

375. Iron in pigs, iron kentledge, and cast scrap iron; ferrosilicon containing not more than fifteen per cent silicon; ferromanganese and spiegeleisen, containing not more than fifteen per cent manganese per ton—British preferential, $1.50; intermediate, $2.50; general, $2.50.

Mr. MACDONALD: There is a change in the intermediate tariff?

Mr. WHITE: Yes, but I do not think it affects the Canadian situation. In many of the tariff changes that I have made I have equalized the intermediate with the general. Personally I have never seen any advantage in our having the intermediate tariff. I do not think the change to $2.50 in the intermediate tariff will have any bearing at all upon our importations.

Mr. A. K. MACLEAN: What was it before?

Mr. WHITE: $2.25.

Mr. MACDONALD: The minister was asked to deal with this particular item by those interested in this industry?

Mr. WHITE: The steel industry?

Mr. MACDONALD: Yes. A year ago there was an application to the minister to continue the bounty upon pig-iron. Did the minister consider that question, and what were his reasons for refusing to do anything for pig-iron by way of bounty?

Mr. WHITE: We have had several applications from iron and steel manufacturers, not for any specific form of assistance, but to take some tariff action that would be of advantage to the industry. If my hon. friend will—as I have no doubt he has—look over the legislation which I am bringing down now he will find that there are many changes which will inure to the advantage of the industry. But as to the ground upon which we refused to renew the bounties to the steel industries—which I understand to be his question—I may say that no application has been before the Government for a continuance of the bounties upon iron and steel during the past year or two. The more recent applications have been along the line of placing a tariff upon wire rods and taking authority to the Governor in Council to increase the duty on structural iron and steel of the heavier weights rather than for a renewal of bounties. I said in my Budget Speech, and I say now to the hon. gentleman, because he was not present on that occasion, that while I know there is a difference of opinion among members of this House and among the public with respect to the propriety of

granting bounties, my own opinion is that bounties are justifiable in certain cases. Capital is always timid. There are always risks in connection with the establishment of a large new industry. In the case of the iron industry, as the hon. gentleman knows, each one presents its own problems, and it may be that even the best-conceived scheme will encounter vicissitudes of fortune in its early years causing capital to undergo very serious risks. The result is that capital is timid about embarking upon large new enterprises unless there is some Government assistance. My view is that the Government is justified in granting bounties in proper cases for the purpose of calling industries into being which otherwise would not be started or which might be delayed in establishment for many years. Consequently, I have never seen any reason to disagree with the policy of the late Government in granting bounties to call into existence the steel industry at Sydney. There are differences of opinion, as I say, but I am giving my own view. But after an industry has been established, and has enjoyed for many years the advantage of bounties, I think it should be allowed to stand upon its own basis. It would be evidence to me that the bounties had failed of effect if, after having been enjoyed for many years by an industry which has advantages in the way of raw material which would put it upon a par with similar industries in any part of the world, a continuance of the bounties should be required. If any assistance were required for such an industry I would rather give it by means of a tariff change. To more particularly answer my hon. friend, the question of continuance or renewal of bounties has not been actively before the Government for some considerable time.

Mr. MACDONALD: I wish to know in regard to the particular item of pig-iron, was there any request for a duty upon it?

Mr. WHITE: No specific request for a duty on pig-iron to my recollection.

At six o'clock, the Committee took recess.

The Committee resumed at eight o'clock, Mr. Blondin in the Chair.

Mr. MACDONALD: If I remember correctly, the minister, speaking about pig-iron in his Budget speech, said that in his opinion it was not desirable that there should be any increase in duty. What is the minister's view with regard to the matter?

Mr. WHITE: I said—I am speaking from recollection—that my view was that the duty upon pig-iron, which is raw material to many manufacturers, should have a moderate protection; otherwise the duties upon many articles, such as agricultural implements, stoves and a great variety of other products, would have to be raised by reason of the increase in the duty upon pig-iron. If I recollect my words aright, I said that I believed that had been the view of most of my predecessors in reference to the matter of duties upon pig-iron.

Item agreed to.

375a. Ferrosilicon containing more than fifteen per cent silicon per ton—British preferential, $3; intermediate, $4.50; general, $4.50.

Mr. WHITE: There is a change in the duties upon ferrosilicon, ferromanganese and spiegeleisen, which are dealt with in items 375 and 375a. The duty upon ferrosilicon containing more than 15 per cent of silicon is increased to the extent of $2 a ton. The reason for the increase is that ferrosilicon is now manufactured in Canada by the Electro Metals, Limited, of Guelph. It is quoted in Pittsburg at about $70 a ton; $4.50 a ton is therefore a moderate tariff, about 6 per cent. Under item 375b, ferromanganese and spiegeleisen containing more than 15 per cent manganese have been placed upon the free list. Formerly these were dutiable at $2.50 a ton, general tariff. The reason for the change is that ferromanganese and spiegeleisen, which are practically the same commodity, are not manufactured in Canada, and are used in connection with the steel industry. I may say that those engaged in the steel industry are entirely content with these tariff changes.

Mr. NESBITT: What is the use of ferrosilicon?

Mr. WHITE: It is used in the making of steel.

Mr. NESBITT: I take that ferrosilicon containing more than fifteen per cent silicon is used in the manufacture of a higher grade of steel?

Mr. WHITE: That is what I understand.

Item agreed to.

378a. Galvanized rolled hoop iron or hoop steel, numbers twelve and thirteen gauge, per

ton—British preferential, $4.25; intermediate, $7; general, $7.

Mr. WHITE: We are reducing the duty in this case from thirty per cent general to a specific tariff of $7 a ton, which is about the equivalent to seventeen and one-half per cent ad valorem. The reason is this: the manufacturers of barrels complained that the galvanized rolled hoop iron or hoop steel coming in upon barrels which, of course, are in competition with their production, were dutiable at the rate of thirty per cent, whereas the general tariff upon barrels is only twenty-five per cent. This is to remedy this anomaly in the tariff by equalizing the duty payable upon imported wooden barrels, and to place the manufacturer of barrels in as favourable a position as his competitors in respect of galvanized rolled hoop iron or hoop steel.

Mr. MACDONALD: Did the minister have any request from the iron and steel manufacturers to deal with item 378, bar steel, etc.? Were there not allegations that the tariff was not satisfactory?

Mr. WHITE: It has been brought to our attention, although I can hardly say at what particular time or times in the past year and a half that it might be desirable to increase the general tariff rate upon bar steel; but my hon. friend probably realizes that $7 a ton is a fairly substantial duty, giving a protection of 25 per cent to 35 per cent on these several items. My hon. friend will also, no doubt, realize that dealing with such an item as that in the tariff would involve changes running through a considerable part of the steel schedule. Something may possibly be said for that in the case of a general revision, but so far we have been unable to reach the view that the duty of $7 per ton should be increased, taking into consideration all the matters that would be involved in the case.

Mr. MACDONALD: $4.25 is the duty under the British preference, which is a very low ad valorem rate.

Mr. WHITE: I agree that the British preferential is low compared with the general tariff, and it is possible that on a general revision something might be done with that; but we have felt that as this is not a general revision of the tariff, it is inexpedient to deal with that item on which a reasonable degree of protection would seem to be afforded so far as the general tariff is concerned.

Mr. MACDONALD: What about 377 and 379, angles and girders?

Mr. WHITE: The same consideration arises in connection with 377. My hon. friend was probably here the other evening when I took authority to the Governor in Council to raise that duty to $7 a ton upon what are called merchantable products of 120 lbs. per lineal yard or less, when the Government was satisfied that they were being manufactured in Canada.

Mr. MACDONALD: That is structural steel.

Mr. WHITE: When the Government is satisfied that these will be manufactured in substantial quantities in Canada, and I think possibly the steel industry which is in my hon. friend's constituency may be in a position in time to take advantage of that. Up to the present there has been a duty of $7 per ton upon these products up to 35 lbs. per lineal yard. The reason why that distinction was made in the tariff of 1907 was that such products up to 35 lbs. were manufactured in Canada, but not beyond that weight. I am in hopes that within the next year and a half or two years plants will be established at the Sault, and possibly at New Glasgow, Sydney and Hamilton, capable of manufacturing structural steel up to 120 lbs. per lineal yard. As soon as the Government is satisfied that structural steel up to that weight can be manufactured in Canada, the increased duty will come into effect. It is possible that some other adjustments of the tariff may have to be made by reason of that change when it comes into effect. For instance, the manufacturers of bridges are interested in this duty upon structural steel. The matter has received a great deal of attention on the part of the Government, particularly of myself; and we realize the importance of the steel industry as well as the necessity of giving a reasonable degree of protection as soon as the industry is in a position to show that it is reasonably in a position to meet the requirements of the Canadian business.

Mr. MACDONALD: Was it represented to the minister that it is proposed to make what is known as structural steel of the size spoken of in the Sault or any other place?

Mr. WHITE: The representations were first made to me, I think, by the president of the Algoma Steel Company, Mr. Fraser

Taylor, of London. The position is that they realize the desirability of broadening the basis of their production. I think that is realized by every steel plant in Canada. During the past three years they have all been busily engaged in the manufacture of steel rails, and I think they will continue to have large orders for rails because, as I said in the Budget speech, railways will always be building in Canada, and the demand for steel rails will be large and continuous. But it is desirable that the steel companies should broaden the basis of their production, and the Algoma Steel Company had evidently reached that conclusion. They therefore stated that if assurances could be given on behalf of the Government that as soon as they were in a position to produce merchant mill products of 120 lbs. per lineal yard and less the duty would be increased to $7 a ton, the rate which now applied to the same product up to 35 lbs. per lineal yard, they could get the capital to enable them to increase their plant and enlarge their merchant mill to turn out that heavier class of product. During the year I have had talks with representatives of the Dominion Iron and Steel Company and the Nova Scotia Steel Company. I understand that they, too, in due course of time will be in a position to avail themselves of the benefits of that increased tariff when it comes into operation. I think the New Glasgow company is manufacturing steel products now up to 50 or 60 lbs. per lineal yard, but in what quantities I am unable to say.

Mr. GRAHAM: I would like to ask the minister with reference to an establishment in the town of Morrisburg. A few years ago an industry was established there for the manufacture of tin plate, and if I remember correctly they applied to the Government for the imposition of a small duty on their product. The Government, however, did not see its way clear to grant that request and since that time the industry has passed into other hands. I was informed that the new owners contemplated manufacturing steel barrels. Does my hon. friend remember any application in connection with that industry?

Mr WHITE: I do not recall any application of the kind mentioned by my hon. friend. I would ask him if he is certain that they made any application with reference to the tariff. I am unable at the moment to say what the duty on steel barrels is, but I think they would have a substantial degree of protection under the tariff as it exists to-day, I may be wrong in that. However, I shall be very glad to look into the matter.

Mr. J. D. REID: I heard some time ago that this industry was to be reorganized, and that they were to manufacture steel barrels. I heard it from a gentleman who, I understood, had an interest in the company, but I have no recollection of any application being made with respect to the tariff. If there had been any great desire we should probably have heard about it, but as we have heard nothing of it, at all events during the last two or three months, I do not think any application could have been made.

Mr. NESBITT: I know something about that. One man has the power and another man has the building. They do not agree. The man that has the building cannot manufacture without the power, and the man with the power will not sell it because he has it leased to an American firm.

Mr. REID: That would have nothing to do with an application in regard to the tariff.

Mr. NESBITT: If their product is galvanized steel barrels it is protected now under the item of galvanized sheets, is it not?

Mr. MACDONALD: As I may not be here later, might I ask the minister now with reference to item 1,019 which reads:

> When imported by proprietors of coke ovens and converted at their coke ovens into coke for use in the smelting of metals from ores and in the melting of metals.

The drawback on bituminous coal would be 99 per cent. Do I understand that the effect of that is that persons can establish a coke industry, import coal, make it into coke and be entitled to the drawback if they sell the coke to persons in the iron and steel industry or the smelting industry, or, must it be consumed on the premises?

Mr. WHITE: I think I can explain best by stating the present position. My hon. friend knows that to-day coke is on the free list for all purposes. That means that a manufacturer of coke at Buffalo, having of course his bituminous coal free, can manufacture and sell his coke to any person in Canada free of duty. He can sell it to parties who are engaged in the smelting of metal ores—iron and steel

manufacturers—and to foundrymen engaged in the melting of metals. Under the present tariff it is not possible for a Canadian manufacturer of coke to obtain the drawback upon the bituminous coal which he imports to be used in the manufacture of his product, if he sells that product to a foundryman engaged in business next door or in some adjacent town. That seems an anomaly, and the matter was drawn especially to our attention by the proposed establishment of a coke industry in Hamilton. It was represented to us that if the tariff were not changed, a firm would establish in Buffalo and sell its coke in the Hamilton district to those requiring it for smelting purposes or for the melting of metal. If, on the other hand, a drawback would be allowed—which it was represented to us would not in any way adversely affect the coal industry of Canada—in which I know my hon. friend from Pictou takes a special interest—the plant would be established in Hamilton. We gave this matter very careful and earnest consideration, consulting some of those engaged in the coal industry, and we came to the conclusion that the coal industry of Nova Scotia would not in any way be adversely affected, because we are limiting the drawback provision to bituminous coal imported by

Proprietors of coke ovens and converted at their coke ovens into coke for use in the smelting of metals from ores and in the melting of metals.

That does not enable a man to engage in the general coke industry in Canada and get a drawback on bituminous coal. It limits the output in respect of which a drawback is granted to such product as is used by iron and steel manufacturers and foundrymen. After giving the matter very careful consideration, and bearing in mind what I am sure my hon. friend has in mind—that we did not desire in any way to prejudice or interfere with the coal industry of Nova Scotia—we came to the conclusion that this drawback item might be safely inserted in the tariff I think the result will be that a large industry, which would otherwise be located in the United States, will now be located in Canada, and it is probable that other industries may similarly establish themselves. This particular industry will sell its coke to the steel industry of Canada for use in the smelting of metals, and also to those engaged in the foundry business for the melting of metals.

Mr. MACDONALD: What I understand is that hereafter it will be possible for a person desiring to make coke or to import coal, get a drawback of 99 per cent upon it, and dispose of its product, the coke, to parties engaged in the iron or steel business, or in the melting of metals, and he does not need to consume it on his particular premises where the coke has been made which has been the limitation heretofore imposed?

Mr. WHITE: No, it is extended beyond the present drawback provision in that regard.

Mr. NESBITT: I would like to ask the minister if he has had any representations from the gas people who have been trying for years to get a drawback on their bituminous coal and who sell coke, which is a by-product of their manufacture, to the ordinary citizen.

Mr. WHITE: I confess that I am more puzzled than usual in talking to the Opposition on this question because I do not know where they stand on questions of fiscal policy. I wish my hon. friend from Oxford (Mr. Nesbitt) would discuss this question with my hon. friend from Pictou (Mr. Macdonald). It might be found that there was a very grave difference of opinion between them on this point. My hon. friend from North Oxford would like to see a drawback on bituminous coal used in the manufacture of gas. I do not desire to express the views of the hon. member for Pictou, who is quite capable of expressing them for himself, but I imagine that this raises a question as to whether it might not interfere seriously with the coal industry of Nova Scotia which sells its bituminous coal in all the eastern cities and some of whose product is used for the manufacture of gas. It is a question upon which I do not desire to express any opinion except to say that the Government has not reached the conclusion that the drawback provision should be extended beyond the limits of the item. If the hon. member for North Oxford will take the matter up with the hon. member for Pictou, and if they will come to me with their reasoned conclusions and tell me that they have both agreed upon a common policy in that regard, I will be very glad to receive their representations, but whether I will act upon them is a different matter.

Mr. MICHAEL CLARK: I would almost rather trust the minister alone than rely

upon the combined advice of my hon. friends.

Mr. NESBITT: I do not see any ground for disagreement between the hon. member for Pictou and myself. The hon. gentleman knows that the Nova Scotia people do not sell any coal west of Ottawa.

Mr. WHITE: No, but they do in Montreal.

Mr. NESBITT: If we were to open Canada to the competition of the American coal fields, the Nova Scotia people would sell where they do now just the same. I do not think it would make a cent's worth of difference to them. It is absolutely impossible for them to reach the western Ontario market, as the minister knows.

Mr. MACDONALD: I notice that if the minister is asked a question which is embarrassing, he resorts to this little joke about some fanciful difference of opinion on the other side of the House. I would remind the hon. gentleman that he happens to be the responsible party in regard to these questions; he is the one to settle the policy of the Government, and there is no reason why he should not take the full responsibility.

Mr. WHITE: I have always been willing, and I am willing now, to take the full responsibility. I agree with my hon. friend from Red Deer (Mr. Clark) absolutely in stating that the matter would be very much better in my hands than in the joint hands of the hon. member for Pictou and the hon. member for North Oxford, notwithstanding the great respect which I have for both these hon. gentlemen.

Mr. MACDONALD: Then the minister is coming around to the ideas of my hon. friend from Red Deer?

Mr. WHITE: The hon. member for Red Deer, at all events, expresses his opinions openly and with conviction upon tariff questions. The hon. member for North Oxford is right in saying that Nova Scotia coal does not go into Ontario and does not reach the West. On the other hand it does reach Montreal. There is no doubt that the coal industry of Nova Scotia has to be seriously and carefully considered—and very properly so—in connection with any proposed tariff changes, especially those which may be of far-reaching consequences. The Nova Scotia coal companies sell their products in Montreal and in the larger cities of the East. If a drawback were allowed upon bituminous coal used for the production of illuminating gas in these cities, there is no doubt that to that extent the Nova Scotia coal industry would feel the influence of the American competition. I am not passing any opinion upon the merits of this matter, but the tariff item that is now before the committee represents the limits which the Government feels itself at present justified in going in regard to the matter of drawbacks.

Mr. NESBITT: I am not pressing it at all; I am only asking if the Government had representations from the gas companies.

Item agreed to.

410. Coil chain, coil chain links including repair links, and chain shackles, of iron or steel, one and one-eighth of an inch in diameter and over—British preferential, free; intermediate, 5 per cent; general, 5 per cent.

Mr. LOGGIE: I desire to call the attention of the minister to this item in connection with the following item, 410a:

Coil chain, coil chain links including repair links, and chain shackles, of iron or steel, n.o.p.—British preferential, 15 per cent; intermediate, 20 per cent; general, 20 per cent.

May I ask the minister why he makes a difference between chain one and one-eighth of an inch in diameter or over, and chain of a less diameter? He has increased the rate of duties on chain five-sixteenth and up to one and one-eighth inch in diameter three times. The rate was five per cent before, and he has increased the intermediate rate from seven and one-half to twenty per cent, and the general tariff from ten per cent to twenty per cent. I would ask the minister if he has considered this. At the present time the minister gives a small drawback for the construction of vessels engaged in the coastwise or fishing trade, and he does this in the interests of the fisheries. He is now doubling the cost of a very important item in connection with the construction of these vessels. He makes no provision in the way of a drawback for the difference in duty. I think it is due to the fishing industry that the minister should consider the matter. On chain coming from Great Britain under the British preference he makes the duty fifteen per cent instead of five per cent. Cables and chains are used very largely in the development of the fishing industry and it seems to me that he might very fairly increase the drawback because this is going to largely increase the cost of every new vessel constructed.

Mr. WHITE: In respect to the distinction that is drawn between chain 1⅛ inch in diameter and over and chain which is under 1⅛ inch in diameter, I may say that the heavier chain is not manufactured in Canada.

Mr. LOGGIE: I assumed that that was the reason.

Mr. WHITE: Chain under 1⅛ inch in diameter is manufactured in Canada and the reason why we have increased the tariff upon the chain that is made in Canada is because we have increased the duty upon wire rods. Wire rods were formerly on the free list and we have imposed a duty upon them. There was also item 720—really an Order in Council—which has been repealed. The Order in Council to which I refer, read as follows:

Iron or steel rods rolled or drawn, not less than 5/16 of an inch in diameter, when imported bl manufacturers of chain for use by them in the manufacture of chain in their own factories, is placed upon the free list.

We have been anxious to establish the steel industry of Canada upon a firm foundation; and in order to do this, we have placed a duty of $3.50 per ton upon wire rods. We have repealed this Order in Council which I have just read, and then we have adopted a uniform rate with regard to item 410a. There were formerly two tariff items respecting these articles, as my hon. friend is aware. One was: British preferential, five per cent; intermediate, seven and one-half per cent, and general, ten per cent. The other was: British preferential, twenty per cent; intermediate, twenty-seven and one-half per cent, and general, thirty per cent. In the case of chains under five-sixteenths of an inch in diameter, the rate was thirty per cent under item 454. We have made item 410a, British preferential, fifteen per cent; intermediate, twenty per cent; general, twenty per cent, so that, while there has been an increase, there has also been a reduction. My hon. friend will observe from item 410 that we have reduced the tariff upon chain, one and one-eighth of an inch in diameter and over, which at present is five per cent under the British preferential and ten per cent under the general, to British preferential, free and general, five per cent. The change has been brought about by reason of the fact that we have placed a duty upon wire rods. It is one of the adjustments rendered necessary by these changes in the tariff.

Mr. NESBITT: Why does the minister exempt telephone wires, item 404?

Mr. WHITE: There would seem to be no good reason why, if there is a duty upon wire rods, there should not be a duty upon telephone and telegraph wire drawn from these rods. The exemption that I have made is upon wire used in wire fencing. Under the tariff as amended by these resolutions, the drawback applies to that wire only. It is a minor matter so far as telephone wires are concerned.

Mr. LOGGIE: The minister has advised us that he has reduced the rates on one and one-eighth inch chain and also on chain under five-sixteenths of an inch. The sizes between those two are the sizes used in the construction of vessels.

Mr. WHITE: There is an increase in the duty on the sizes between those two.

Mr. LOGGIE: Yes, a very material increase. The law now provides that we get a rebate to provide for the duty, but you do not provide any increase in the rebate when you treble the duty on chain used in the construction of vessels.

Mr. WHITE: What is the drawback in respect to vessels?

Mr. LOGGIE: I do not know; but I know, if you are constructing vessels, you get a drawback of so much per ton because of this duty paid on the material entering into their construction.

Mr. WHITE: I will look into the matter to which my hon. friend has drawn my attention. As to whether or not I can do anything in the matter, I am not at present able to say.

Mr. NESBITT: I want to congratulate the minister on what he has done in regard to item 404 on wire fencing. It will stop a great deal of deception to the poor old farmer and allow him to get wire fencing of the size that it is supposed to be.

Item agreed to.

411. Malleable sprocket chain, and link belting chain of steel, when imported by manufacturers of agricultural implements for use in the manufacture of such implements in their own factories—British preferential, free; intermediate, free; general, free.

Mr. GRAHAM: Is there any change?

Mr. WHITE: No. We have put these on the free list when imported by manufacturers for use in the manufacture of such implements in their own factories. When not imported as above proposed, the rates in the event of a change would be under 454, in which the British preferential is twenty per cent, and the general thirty

per cent. This malleable sprocket chain is now manufactured in Canada from dutiable material. We have made no change in the importations for agricultural implements.

Item agreed to.

445. Mowing machines, harvesters, self-binding or without binders, binding attachments, reapers, and complete parts thereof, not including shafting or malleable iron castings, also finished parts for repairs of the machines specified in this item—British preferential, 12½ per cent; intermediate, 12½ per cent; general, 12½ per cent.

Mr. NESBITT: It has frequently been represented by manufacturers that the former duty of 17½ per cent was just sufficient to pay the difference in the freight from Toronto and Chicago to the West. I thought I would look up that matter, and I found that the difference in the freight was as follows. Let us take as an illustration a binder that is of the average weight of 1,550 pounds. In carload lots, the rate from Chicago to Calgary is $1.13 per 100 lb., so that the freight on a binder would be $17.52. On the same basis, the rate from Toronto to Chicago would be $1.20 per cwt., which would make the freight on a binder $18.60, a difference of $1.08 as between Chicago and Toronto. Binders are shipped from those points entirely in carload lots, not singly. If the manufacturers do not have sufficient binders to ship a carload to a central point, the railway company will allow carload rates on goods of the same classification. I mention that to the minister to show him that the idea of the difference in the freight is a fallacy.

Mr. WHITE: I never put forward the contention that seventeen and one-half per cent duty represented the difference in the freight.

Mr. NESBITT: I did not say that the minister had done so. I said that a great many people had.

Mr. WHITE: I have looked very carefully into the question of freight charges. For a period of over a year and a half or two years I have been giving very full and careful consideration to the question of the duty upon agricultural implements. In view of the statement made here the other night by my hon. friend from Assiniboia (Mr. Turriff) with regard to the rates on binders at Minneapolis, I desire to place upon 'Hansard,' for the information of the House, a statement as to the difference between the freight rates from Chicago to Canadian points and to American points opposite Canadian points, and from Toronto or Hamilton to points in the Northwest.

I find that the freight charges upon an eight-foot binder are as follows:

From Chicago to—	
Minneapolis	$ 3 90
Fargo, N.D.	8 19
Grand Forks, N.D	9 16
Valley City, N.D.	10 14
St. Thomas, N.D.	10 53
Devil's Lake, N.D.	11 31
St. John, N.D.	12 48
Rocklake, N.D.	12 48
Sarles, N.D.	12 48
Lansford, N.D.	12 87
Minot, N.D.	12 87
Gardiena, N.D.	12 87
Williston, N.D.	14 82
Havre, Mont.	22 81
Great Falls, Mont.	23 01
Billings, Mont.	21 84
Winnipeg	10 53
Brandon	12 09
Weyburn	15 79
Regina	16 18
Calgary	22 03
Edmonton	22 03
From Hamilton to—	
Winnipeg	12 80
Brandon	14 40
Weyburn	17 40
Regina	17 80
Calgary	24 00
Edmonton	24 00

I looked into the question and I found that the Canadian manufacturer, speaking generally, is at a disadvantage compared with his American competitor so far as freight rates are concerned. The rates from Hamilton to Winnipeg district—because the Northwest is divided into districts for the purpose of selling agricultural implements—are higher than rates from Chicago to points in which they are in competition with the manufacturers here. The Canadian manufacturer has two disadvantages. The first is that his cost of production is higher than the cost of production in Chicago or other American points, for the reason that as the House is aware, the cost of production is in inverse ratio to tonnage; the greater the tonnage, the lower the cost of production.

Mr. GRAHAM: That holds good up to a certain point.

Mr. WHITE: It holds good until you reach the maximum production of your plant.

Mr. NESBITT: That is just it.

Mr. WHITE: But my hon. friend is aware that modern plants are capable of turning out enormous tonnage.

Mr. A. K. MACLEAN: How about the Canadian plants of American concerns?

Mr. WHITE: The hon. gentleman has asked a very pertinent question, and I am glad to deal with it, for I do not wish to discuss this matter in a political way but rather in an economic or business way. The International Harvester Company has an establishment at Hamilton. The tangible property in Canada of that concern amounts to about $4,000,000. It has a very large plant in Chicago. We looked very carefully into the question of the cost of production at Hamilton and at Chicago and found a very substantial difference in favour of Chicago by reason of the greater tonnage turned out there. Speaking from recollection, the difference was either $7 or $9 upon an eight-foot binder. I have in my desk—I am sorry I have not it here now—the statement made by Mr. Fielding, my predecessor, in this House a few years ago, in discussing a motion to reduce the duties on agricultural implements. That statement applies to-day as it did then. I will state generally what he said, and can quote his words later. He said he had brought that industry to Canada, and he thought it would be unfortunate in the extreme if by any action taken by the Parliament of Canada in reducing or abolishing the duty, the discontinuance of manufacture of agricultural implements in Hamilton were brought about; and it would be obvious to all that if the cost of production was higher in Hamilton than in Chicago and there were no protection in this market for the concerns engaged in this manufacture, the business would be transferred to Chicago, making the cost even less by the increase of the tonnage. In other words, the International Harvester Company would not maintain itself in the city of Hamilton in the manufacture of agricultural implements at a cost in excess of what it could manufacture for in Chicago if the Canadian market were open to it equally with the market of the United States.

9 p.m.

Mr. A. K. MACLEAN: Did they give these figures?

Mr. WHITE: I sent a representative from my office to look into the factory cost in both places. In addition to that, as long ago as December, 1912, I asked the Commissioner of Customs to send a representative to our Canadian manufacurers of agricultural implements and to those engaged in the business in the United States, and also to their agents along the border, with a view to ascertaining as accurately as possible the difference in the selling price of agricultural implements on either side of the line. That report was made. It contains a good deal of matter that is confidential, and necessarily so, because our agent was given access to the books and was treated in a very fair fashion by all the manufacurers. I have in my possession a record of the selling prices which might form a basis of comparison for points in Canada with points in the United States, where freight rates are at all equal, I mention this to show that the matter has received very careful and full consideration on the part of the Government.

Mr. A. K. MACLEAN: Could the minister make that statement part of his remarks by handing it to 'Hansard.' Would there be any objection to that?

Mr. WHITE: No, I think not. I am as anxious as my hon. friend is to deal with the matter fairly. For, after all, it is a business matter. There is an enormous amount of capital invested—a great deal of it English capital—in the manufacture of agricultural implements in Canada, particularly in Ontario. So far as the East is concerned, there is very little difference in the price of agricultural implements on either side of the line. The statement which I will give the committee, which is taken from the report made by Mr. Costello, a very trusted and, I believe, competent official of the Customs Department, gives the following as comparative prices cash on delivery of eight-foot binders:

United States: Fargo, $147.50; Grand Forks, $147.50; Valley City, $150; Devil's Lake, $150; Lansford, $160; Minot, $160; Gardiena, $160; Williston, $165; Havre, Mont., $190; Great Falls, $190; Billings, $190.

Canada: Winnipeg, $160; Brandon, $160; Weyburn, $165; Regina, $165; Calgary, $170; Edmonton, $170.

The difference, therefore, would run from $10 down in favour of the price at the American points. The committee will bear in mind two things that I have mentioned: first, that the Canadian manufacturer is at a disadvantage in respect of freight rates, which are higher from Toronto or Hamilton to the Canadian West than they are from

Chicago. Second, the cost of production in Hamilton, as shown by the returns of the International Harvester Company, are considerably higher in that city than they are in Chicago. Bearing these two facts in mind, the committee will have one explanation at least for the fact that the cash price of agricultural implements is somewhat higher in the Canadian West than it is across the line.

Mr. McCOIG: The hon. gentleman has quoted the price of eight-foot binders at different points. Are these binders not turned out with different attachments at the different points?

Mr. WHITE: A statement which I have here in that regard says that the Canadian manufacturers of binders supply an extra equipment consisting of a knife, etc., valued at about $7. This extra equipment is not supplied in the United States.

Mr. McCOIG: The binders supplied by Chicago firms are equipped with only one knife, whereas the Canadian manufacturers supply an extra knife. In some cases with the American binders one may obtain a pole truck for $15 extra, and a transport truck for $10 extra.

Mr. WHITE: The comparative figures which I have given are in each case for an eight-foot binder; I understand that the Canadian machine, at the price which I have mentioned, carries an extra knife and certain other equipment valued at $7, which is not carried by the American binder. In answer to inquiries made, telegrams have been received from the following firms in North Dakota, stating the cash retail selling price of eight-foot binders: Lewis and Durocher, St. John, $155; Aitkens and Lea, Rocklake, $155; D. G. McIntosh, St. Thomas, $155; Hazelett and Naismith, Sarles, $160.

Mr. A. K. MACLEAN: Does the International Harvester Company of Hamilton export binders?

Mr. WHITE: A very small portion of their output is for export; their export business is done from Chicago. Last year was not, of course, as good a year for the manufacturer of binders and other agricultural implements as the year before. The manufacturers expected a much larger business than they enjoyed, and as a consequence they are carrying very heavy inventories. It is by no means certain that this year the business will not be less than last year. I have taken the trouble to look very carefully into the whole situation and to examine, as I stated in my Budget speech, into the balance sheets of some of these representative concerns, and it seems to me that this year their cost of production is undoubtedly higher than it was a year and a half ago when the investigation was made by the Government, because with a reduced output the cost of production is increased.

Mr. A. K. MACLEAN: That is true of the American manufacturers also last year.

Mr. WHITE: That would be true of the American manufacturers; of course they have a very much larger market.

Mr. A. K. MACLEAN: But they are carrying large inventories.

Mr. WHITE: They are probably carrying large inventories, but they have not as large an amount of indebtedness upon their books as the firms doing business in Canada. I was surprised to find that one large concern doing business in Canada had over $30,000,000 cash, owing to them, a considerable part of it overdue, in respect of agricultural implements sold during the last three, four or five years.

Mr. EDWARDS: What is the valuation for duty of mowers, binders and reapers? Has any change in the valuation for duty purposes been made, or is any change contemplated?

Mr. WHITE: It is my understanding that no change whatever has been made in the valuation for import upon which customs duties are levied. I believe the Minister of Customs stated the other day that no such change had been made.

I would like to read what Hon. Mr. Fielding said in 1907, because in my view it precisely represents the situation today so far as the International Harvester Company's business in Hamilton is concerned; and I think we all agree that an industry such as that, with $4,000,000 of plant and doing a business of $40,000,000 in Canada, should, if possible, be retained in the country. Mr. Fielding said:

> My belief is that if this motion were passed we would strike a severe blow at one of the great industries of the country. I believe the International Harvester Company would find it to its interest to close up its business in Hamilton, at least so much of it as is devoted to mowers and binders and have them made at the American branch and bring them from

the United States. The factory in Hamilton is an American concern. With a moderate duty we have induced American capital to come into Canada and to establish that great industry and after we have brought it in and established it in Canada I believe that if they were to pass this resolution the company operating that industry would find it profitable to close the Hamilton factory and bring in the goods which they make in the United States.

I am not passing any opinion upon the resolution in question, because I do not know how far it went, but I do say that if the duty on these particular agricultural implements manufactured by the International Harvester Company in Hamilton were reduced to a point at which it would be more profitable to the International Harvester Company to manufacture its binders, reapers and mowers in Chicago because of the less cost of construction, it would, of course, manufacture in Chicago for its Canadian trade.

Mr. GRAHAM: There may be this difference, that the cost of production in Canada is not as great, comparatively, now as it was in 1907. In 1907 the Canadian manufacturer was handicapped by a duty on coal, but in 1914 he has his water-power, very cheap power, cheaper than even the Chicago manufacturer has.

Mr. WHITE: That might be a factor, though I do not think it would go to the length of destroying the argument of my predecessor.

Mr. COCKSHUTT: I think the hon. member for North Oxford did not make quite as much difference between the American and Canadian freight as he should have done. I have here the actual rates. An eight furrow engine gang plough, f.o.b., Brantford, weighs 5,618 lb., on which the freight to Winnipeg is 64 cents per hundred lb., or $35.96. The plough centre in the United States, which is the main competitor and is more remote than Chicago, is Moline, Ill. The freight rate from Moline to Winnipeg on 5,618 lb. is 53 cents a hundred, or in all $29.78, against $35.96, a difference of between $6 and $7 in freight alone between Brantford and Winnipeg and Moline and Winnipeg, the distributing centre of the West. I think the hon. member's figures are scarcely correct.

Mr. NESBITT: I got my figures from the Grand Trunk.

Mr. GRAHAM: The carload rate from Toronto to Winnipeg is sixty-four cents and from Chicago to Minneapolis it is fifty-four cents.

Mr. MACDONALD: Is the drawback to be continued to manufacturers of agricultural implements? There is some general misapprehension on the subject whether that drawback extends to material imported which enters into the manufacture of implements no matter whether they are for export or home consumption.

Mr. WHITE: The drawback in respect of mowing machines, harvesters, binders and reapers and complete parts thereof remains as it was. There is a ninety-nine per cent drawback whether sold in Canada or sold abroad. My hon. friend knows, of course, that all manufacturers are entitled to a drawback upon the duty paid on imported raw materials entering into products that are exported; but in addition to that the manufacturers of mowing machines and harvesters and binders receive a drawback of ninety-nine per cent upon the iron and steel entering into the manufacture of such machines sold in Canada. We have not changed that drawback provision.

Mr. MACDONALD: Would the minister make a memorandum to obtain a statement of the amount of money that has been paid by way of drawback to manufacturers of implements in the past year?

Mr. WHITE: I am informed that that has already been brought down this session but I shall endeavour to remember it.

Mr. NESBITT: Can the minister say from memory that other implement makers, apart from the makers of binders and mowers and reapers, do not get a drawback except for export.

Mr. WHITE: Yes.

Mr. W. F. MACLEAN: Would the minister say whether the difference in freights is based on mileage or on the rate per hundred pounds?

Mr. WHITE: The mileage is greater by the Canadian route. It is a greater distance from Hamilton to Winnipeg than from Chicago to Winnipeg.

Mr. W. F. MACLEAN: Not only is there a difference in distance but a difference in freight rate per hundred pounds. Which side has the lower rate?

Mr. WHITE: I am sorry not to be able to answer that. I looked into the matter and ascertained that the rates were in favour of the American manufacturer.

Mr. GRAHAM: The freight rate per hundred, per carload, per mile, is dearer, I think, on the other side.

Mr. W. F. MACLEAN: I do not think so.

Mr. GRAHAM: The freight rate on agricultural implements per hundred in carload lots is 64 cents between Toronto and Winnipeg, and 54 cents between Chicago and Minneapolis.

Mr. HANNA: The hon. gentleman is wrong.

Mr. GRAHAM: The Grand Trunk Railway Company gave me the figures.

Mr. HANNA: The price which was quoted me was 20 cents a hundred from Chicago to Minneapolis, and 64 cents from Hamilton or Toronto to Winnipeg.

Mr. GRAHAM: The Grand Trunk railway quoted me the rate per carload, namely, 64 cents per hundred in carload lots from Toronto to Winnipeg, and 54 cents from Chicago to Minneapolis. That is as plain as they could make it.

Mr. W. F. MACLEAN: In that case the American roads were quoting a competing rate with Canadian railways; in the other case they were not. My understanding is that freight rates are lower on the other side.

Mr. HANNA: The figures were given to me by a manufacturer of harvesting implements in Smith's Falls, and I think they are absolutely correct. Some statements had been made here in regard to the difference in price of agricultural implements in Winnipeg and Minneapolis and this gentleman gave me the following figures: on binders from Chicago to Minneapolis the rate is 20 cents a hundred, and from Hamilton, or Toronto, to Winnipeg, 64 cents; a difference of 44 cents making a difference of $9 on the binder. The difference in price between an 8-foot binder in Winnipeg and Minneapolis is $10 actually, so it only leaves one dollar of difference in the price of a binder when you take into account the difference in freight rates.

Item agreed to.

453a. Electrical dental engines—British preferential, 15 per cent; intermediate, 27½ per cent; general, 27½ per cent.

Mr. MACDONALD: What is the change in that?

Mr. WHITE: Electrical dental engines were formerly on the free list. They are now manufactured in Canada and we have increased the rate.

Mr. NESBITT: Does the minister think that will raise the price of teeth fillings?

Mr. WHITE: I do not think so. Our dental friends made no objection; in fact, it will be a good thing for them, as they can get their material for repairs from Canadian manufacturers.

Mr. MACDONALD: Going back to item 445a, was any change made in regard to malleable iron castings?

Mr. WHITE: No change. I am glad my hon. friend has drawn attention to that. Item 445 under the present tariff includes

Mowing machines, harvesters, self-binding or without binders, binding attachments, reapers and complete parts thereof, not including shafting, 17½ per cent.

We have reduced that to 12½ per cent. Malleable iron castings have not been included, as the manufacturers would not be able to stand the reduction from 17½ per cent to 12½ per cent. We have consequently allowed the rate on malleable iron castings to remain precisely as it was.

Mr. MACDONALD: Where are those industries located?

Mr. WHITE: There is one at Oshawa, another at Hamilton, and others in Ontario.

Mr. MACDONALD: Is the malleable iron casting company in Hamilton associated with the International Harvester Company?

Mr. WHITE: I was not aware, until some gentleman told me, that there was a malleable castings factory in Hamilton, so I am unable to answer my hon. friend. I know the one at Oshawa is not connected with the agricultural implement industry. There is another factory at Brantford, which is also an independent company.

Mr. A. K. MACLEAN: Would the minister point out the item in the tariff relating to iron tubes or iron pipes?

Mr. WHITE: We have passed that; it is item 398.

Mr. A. K. MACLEAN: Is there an increase in that?

Mr. WHITE: Yes. If my hon. friend will look at item 398 of the present tariff he will find the following:

Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or

not, over 4 inches in diameter, n.o.p., 15 per cent.

Item 399 reads:

Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or not, 4 inches or less in diameter, n.o.p., 35 per cent.

Mr. A. K. MACLEAN: Do the manufacturers import this material and put it together in this country?

Mr. WHITE: No, they manufacture it here from dutiable raw material. My hon. friend is probably aware that the reason for the difference between the 15 per cent and 35 per cent rate is because wrought or seamless iron or steel tubing over four inches in diameter was not manufactured in Canada. The Page Hersey Company, at Guelph, which has also an establishment at Welland, now manufactures this wrought or seamless iron or steel tubing up to 10 inches in diameter. We have therefore increased the duty on tubing between 4 and 10 inches in diameter. Item 398a in the new schedule covers tubing over 10 inches in diameter, which we have left at the rate of 15 per cent.

Item agreed to.

471. Rolled round wire rods in the coil, of iron or steel not over three-eighths of an inch in diameter, when imported by wire manufacturers for use in making wire in the coil in their own factories, per ton—British preferential, $2.25; intermediate, $3.50; general, $3.50.

471a. Rolled round rods in the coil, or iron or steel, whether annealed or cleaned, or not, when imported by manufacturers of chain for use only in their own factories in the manufacture of chain, per ton—British preferential, $2.25; intermediate, $3.50; general, $3.50.

Mr. LOGGIE: Regarding items 471 and 471a, the minister said in his Budget speech:

We have reached the conclusion that the apprehension on the part of the nail-making firms who have opposed the granting of a duty is not well founded. We believe it is in the interest of the nail-making industry as well as the wire rod industry that a duty should be imposed.

The minister did not state why that apprehension was not well founded. He told us of the representations made by the small nail makers as to why the duty on wire rods should not be put on. Then he recited to us the reasons why the duty should be put on as asserted by the two large mills that make the greater proportion of the nails. If he had explained to us on what basis he comes to that conclusion we might the more intelligently conform to his suggestion that we place a duty upon wire rods. After I have had his answer to that I will have something further to say as to what will be the result of this duty on wire rods with respect to nails.

Mr. WHITE: There can be no object on the part of the manufacturers of wire rods, who would desire to increase their product and find a market for it in Canada, attempting to destroy those industries engaged in the manufacture of nails. They have expressly repudiated any intention of doing so and it has been my own experience that these large concerns do not deliberately set about trying to injure smaller concerns. The object of the manufacturers of wire rods—the Dominion Iron and Steel Companies and Steel Company of Hamilton, who are engaged in the manufacture of wire rods—is to sell their product to those engaged in the manufacture of nails and it is inconceivable that they should attempt to destroy them. My hon. friend will admit, I am sure, that those who have a protection at the present time of 60 cents per keg upon wire nails can hardly be heard to object to the imposition of a reasonable duty on wire rods. Wire rods, as my hon. friend knows, have been upon the free list. We have placed a duty of $3.50, general, upon wire rods when imported for us in making wire into coil in the importers' own factories. That is a duty under 15 per cent and it did not appear to me, after his having given the matter as careful and painstaking consideration as I have ever given any question in my life, that it would be just to deny to the manufacturers of wire rods a duty as reasonable as that by reason of the fact that the manufacturer of nails, having a duty of 60 cents a keg, which would represent probably 30 per cent or more—

Mr. LOGGIE: About 40 per cent.

Mr. WHITE:—would be apprehensive that the manufacturer of wire rods would take advantage of the duty for the purpose, to put it in a commonplace way, of putting him out of business.

Mr. A. K. MACLEAN: If they did that, how would you propose to punish them? I understood the minister, when delivering his Budget speech, to utter a word of warning to the manufacturers of steel wire who are also engaged in the manufacture of nails, and I have been wondering what was in the mind of the minister.

Mr. WHITE: When I used those words, I used them generally, not speaking of the manufacture of wire rods only; but I have held the view that the manufacturers in Canada of any commodity, enjoying the benefits of the protective system, should endeavour to take care of their market, and should not pursue any course having as its object the destruction of other enterprises. In other words, I believe that they should carry on their business in a fair way. What is a fair way will depend upon circumstances and upon the judgment that is brought to bear upon the matter. I realise the difficulties of the Government undertaking to pronounce upon what is fair and what is unfair, but I would not hesitate to say that if I came to the conclusion that a deliberate course was being pursued—and no such circumstances have been brought to my attention since I have been a minister—of attempting to destroy or injure others who were endeavouring to carry on their business in a proper way in Canada, I would not hesitate to pass an Order in Council reducing or even abolishing the duty. Take the case of the cement cut; I held, and I said, too, in this House, that it was the duty of the cement manufacturers to take care of their market and to provide that, when the West wanted cement as they knew they would want cement, that cement should be at the head of the lakes in time to meet the requirements of the West. Having failed to do that in that particular year, I had no hesitation in reaching the conclusion that I should cut the duty in half for a limited period. In this case I do not hold out any threat, because I do not think any threat is necessary. I believe that it is in the interest of the manufacturers of wire rods to carry on their business fairly with the manufacturers of wire nails. I have no reason to believe that they will take any undue or improper advantage of this tariff imposition, which I believe is clearly necessary if we are to have a wire rod industry in Canada. Personally, I do not like to look forward to the possibility of this country having to depend absolutely upon a supply of wire rods from external sources.

Mr. LOGGIE: The large companies have assured the minister

That they will, by no means, injure those engaged in the nail business.

I did not know but that the minister might be able to give us some idea as to how they will be able to operate this business without injuring small nail-makers. In my judgment, the minister is creating a monopoly in the hands of two great companies that may jump the price of wire rods to the small nail men and then jump the price of nails to the people of Canada.

Mr. WHITE: Is my hon. friend aware that I have not raised the duty on nails?

Mr. LOGGIE: Yes, I am aware that the minister has not raised the duty on nails. If he had lowered the duty on nails he might have been able to protect the consumer, but instead of that he leaves the duty where it is, equal to about 40 per cent of the present value f.o.b. Pittsburg. The rate is 60 cents per keg, and the effect will be that by this duty of 17½ cents upon wire rods, the minister will take three-quarters of a million dollars out of the pockets of the people on the one item of nails, which are the product of wire rods. These two companies will not injure the small nail makers, but they will charge the small nail-makers 17½ cents more for their rods and then they will make the price that they will charge the wholesale trade, and I venture to say that you will find that nails when sold to the consumer will be at least fifty cents a keg higher than they were last year.

Mr. WHITE: May I ask the hon. gentleman if the price of nails has fallen in the last two years, and if so, how much?

Mr. LOGGIE: Yes.

Mr. WHITE: How much?

Mr. LOGGIE: I think about 20 cents per keg.

Mr. WHITE: Would the building trade resume its activity if they went up 20 cents a keg?

Mr. LOGGIE: I do not know that I would be very much surprised if they went up 50 cents a keg; that is what I expect to see.

Mr. WHITE: How much of the duty of 60 cents a keg is now taken by the manufacturer of nails in Canada?

Mr. LOGGIE: Nearly the whole of it is taken. The base price of nails in Canada is about $1.90 and the base price in Pittsburg is about $1.40, so that a large proportion of the duty of 60 cents per keg on nails is now added to the price by the Canadian manufacturers.

Mr. WHITE: I would like to ask my hon. friend how the price by any chance could go up 50 cents a keg if there is only 20 cents of a leeway under the tariff?

Mr. LOGGIE: There will be a perfect monopoly.

Mr. WHITE: I am not raising the duty on nails.

Mr. LOGGIE: I admit you are not raising the duty on nails; but the effect will be that, when the 17½ cents are added to the price of the raw material, notwithstanding the promise that the small nail manufacturers are not to be hurt, the two large mills that supply the wire rods to the small mills will be able to dictate prices. The small mills will make as much money as they make now and perhaps more. Possibly they are unduly competing one with another at the present time, and that is perhaps one reason why nails are being sold now at a reasonable price. The wholesale price at present, I think, is $2.10 to $2.15; but the Pender people in St. John and the Maritime people were selling them as low or a little lower than $2 base, but at present the price in Montreal is $2.15 in a small way. I may be wrong, but my judgment is that the minister is placing this industry of manufacturing nails in the hands of two great steel companies, the Dominion Iron and Steel Company and the Steel Company of Hamilton, who together manufacture 70 per cent of the 1,500,000 kegs used in Canada which amounts to 1,050,000 kegs, so that they can very well afford to accept 17½ cents per 100 lb. extra from the small companies when they have the power to dictate to the small companies what shall be the price of nails to the wholesale trade. As the hon. minister goes around the country in his automobile—

Mr. WHITE: I have not got one.

Mr. LOGGIE: —and when he sees the farmers using four or five kegs of nails in the construction of a barn, he will see that he is taking out of the consumers an extra tax of $2.50 for the construction of each barn, because of this duty. It would not be so bad if he could limit it to 17½ cents per 100 lb., the amount of the duty on the rods. There is no difficulty for a number of nail manufacturers to form a combine; but they sometimes become dissatisfied one with another, and the combine is not maintained. That has occurred recently. But owing to the control by the two large companies, I suggest that the small companies will be subject to their dictation as to the price at which the nails are to be sold to the trade.

Mr. BURNHAM: Is the price necessarily raised to the consumer?

Mr. LOGGIE: That has been our experience. You cannot have a monopoly where there is not a large investment; but whenever you have a large investment in say two companies, there can easily be arranged a monopoly as to selling price.

Mr. BURNHAM: Has the minister not provided against that?

Mr. LOGGIE: No, he has not provided. He has put into the hands of the Dominion Iron and Steel Company and the Steel Company of Hamilton the power to charge what prices they can.

Mr. WHITE: Apart from the tariff of sixty cents per one hundred pounds on nails, which I have not changed, what was to prevent the Dominion Iron and Steel Company and the Steel Company of Hamilton and the small nail manufacturers from getting together, because that is what my hon. friend suggested last summer? What change is there in that regard? My hon. friend says that will create a monopoly in the manufacture of nails. What was to hinder them from doing that last year? My hon. friend knows that I have not changed the duty on nails.

Mr. LOGGIE: That is exactly what was done. The prices went up but the monopoly did not stand. The agreement was not adhered to by each of them.

Mr. WHITE: That was under the present tariff?

Mr. LOGGIE: Yes.

Mr. WHITE: I was not responsible for that.

Mr. LOGGIE: But you are now confining the monopoly to two companies.

Mr. WHITE: The others are still in business.

Mr. LOGGIE: The others cannot move because they are dictated to by the wire companies that supply the wire rods. They will dictate to the people of Canada and take out of their pockets $750,000 because fifty cents a keg on 1,500,000 kegs is equal to $750,000.

Mr. WHITE: My hon friend comes from the Maritime provinces; and apart from the particular intelligence that characterizes all who come from there, they are all interest-

ed in the steel industry. The steel industry is one of the great basic industries of Canada, and I think it is a mistake to look upon these two companies simply as two companies, for we must remember that they represent a great deal of capital, including English and foreign capital. Does my hon. friend think it fair that under our system those two great industries should not have a reasonable measure of protection on their wire rod production, which is one of the most important branches of their production? Under present conditions, and especially under the conditions which prevail in the United States to-day, that powerful corporation, the United States Steel Company, highly specialized, developed over very many years under a protective system, is able to hold its own market and to sell its wire rods in Canada at two or three dollars a ton below the cost of production, let us say, at Hamilton. I have had the matter looked into, and I know the cost in the city of Hamilton to the Steel Company of Hamilton. My hon. friend, as I understand him, is opposed to the imposition of a duty upon wire rods.

Mr. LOGGIE: I have not so much objection to the duty on wire rods as I have to your allowing to remain a duty of 60 cents per keg on nails. If you would reduce the duty on nails, you would prevent and avoid the difficulty of a combine and an undue advance in the price of the manufactured article.

Mr. WHITE: My hon. friend is usually a very fair minded man. Does he not think he would get the manufacture of nails coming and going? Under the Fielding tariff, under which my hon. friend sat for many years, and to which, I believe, he gave very generous and loyal support, for which I do not blame him, the duty on nails was 60 cents per keg, and the wire rods from which those nails were made were on the free list. I have raised the duty on wire rods to $3.50 per ton, and my hon. friend does not dissent from my action. What about the manufacture of wire nails? Under the Fielding tariff he had 60 cents per keg protection, equal to from 30 per cent to 40 per cent, and he had his wire rods free. I raised his wire rods to $3.50; and my hon. friend, who never protested before, so far as I can learn, against the duty of 60 cents per keg imposed by the late Government, says now that it is an injustice to the consuming public because we do not reduce the duty upon wire nails. If we did that, as I said, we would get the manufacturer coming and going. We would increase the cost of his raw material, and we would decrease the protection, which presumably has been reasonable, because it was supported by my reasonable friend (Mr. Loggie), I think my hon. friend's apprehensions are not well founded, and I will tell him why. There is a competition in the country in respect of nails, and I do not believe a combine will be formed because it is too big a country. At the present time the nail manufacturers of Canada are not taking advantage of the full amount of the tariff rates. It is often stated in this House that the price of an article in Canada is determined by the cost of production plus the freight and the duty. That is not correct. It may be correct in some cases; but it is by no means correct in all cases, and it certainly is not correct in the case of nails.

Mr. A. K. MACLEAN: How much of that tariff do the nail manufacturers pay?

Mr. WHITE: At the present time I am not in agreement with my hon. friend, although he may be correct. I will make this statement, that they are not taking anything like the whole of the tariff protection.

Mr. CURRIE: They are not taking any of it.

Mr. WHITE: I am glad to have my hon. friend, who is engaged in the business, make that statement. I understood they were either taking none or very little of the protection. In Canada we have an over-production of nails, which one would expect in a period like this; when there has been somewhat of a stagnation in building activities one would expect that the price of nails would fall. I have been advised, as my hon. friend (Mr. Currie) states, that the nail manufacturers are not taking any of the duty. Assuming that what my hon. friend (Mr. Loggie) states is correct, that is that they are taking a little more than half of the duty, the balance is leeway for them to go upon if they desire to take advantage of the protection afforded by the tariff rates. I do not suggest for a moment that should be done, because I think the price should be determined by competition in Canada within the tariff wall. And the safeguard against monopoly is the power of the Government to reduce the rates upon wire nails or other commodities in the

event of a combine being formed, and there is the necessary legislation on the statute book already to enable the Government to take that action.

Mr. NESBITT: I quite appreciate the fear expressed by my hon. friends on this side. There is no monopoly at present; I understand some of the manufacturers are selling wire nails at less than cost. But when the Dominion Steel Company and the Canada Steel Company have the benefit of these duties on rods, as they manufacture nails also, it is possible that they will say to the other manufacturers of nails: We will sell your rods at a certain price, but if we catch you cutting the price of nails we will sell you no more rods. I am not a prophet, nor am I a prophet's son, so I am not going to say that that is what they will do. But they cannot do it now, because the rods come in free, and the smaller manufacturers can laugh at the big concerns and even compete with them. As to the help that this duty will give, I hope it will be as useful as my hon. friends thinks it will. My own notion is that both these concerns should be reorganized from the inside. I have said that before.

Mr. CURRIE: I desire to correct a wrong impression of my hon. friend when he spoke of the prices of nails in the United States and Canada. At present in the United States there are three large concerns that in the past twenty months have gone into the manufacture of nails—the Jones and Loughlon Company, of Pittsburg; the Youngstown Sheet and Tube Company, of Youngstown, Ohio; and the Cambria Company, of Johnstown, Pa. Prices are unduly depressed in the United States. I have here the Iron Age, which gives the price of nails in Chicago as $1.78. Nails are selling to-day in Toronto and Hamilton at $1.85. During my connection with the business, which extends over eight or nine years, I have never seen nails selling in Canada at higher prices than they were selling for in Chicago. Now, as a matter of fact, no person can buy wire rods in the United States cheaper than $24.50 per ton. If you take the cost of conversion, which is $15 per ton, from the cost per ton of the wire nails as sold at $1.78, you will find that wire rods for conversion purposes are estimated by these concerns at $20 per ton.

Now, as to the matter of wire nails, there is no possibility of combination. The American market for the finished product is so low as compared with the raw material, and the rate at which they can send them in here is so low that nails must always be sold at a very narrow margin in Canada. I do not think there is a possibility of anybody suffering through the imposition of this duty. Tremendous competition is an economic waste. Some makers may be better situated than others for getting raw material, and when there is a free market, they compete unduly. Take, for instance, the makers in New Brunswick. The man who manufactures wire in New Brunswick can bring in his raw material into St. John cheaper than can any manufacturer in the West, and at the same time, he can land his product in Winnipeg and the West, for virtually the same amount as can any manufacturer in Ontario.

10 p.m.

So far as the manufacture of nails is concerned, I am sure that any change will be a change for the better. The companies are all confronted with the fact that the United States Steel Corporation is coming over shortly and will manufacture all lines of wire products and steel. They will supply themselves with semi-raw material on which they will take all the profit on the other side and will sell here in competition on that basis. Just as the American manufacturers of reapers do. They have branches here and they send in material from the United States semi-finished, they assemble it here and sell. There is no method of getting at such concerns for dumping, and there will be ample and free competition in Canada.

Now, as to whether anybody is going to suffer, whether anybody is going to be placed in the hands of the large corporations, I would remind the committee that the minister in his speech stated that if there was any attempt to squeeze the small manufacturer, the Government would take prompt action and put a stop to it. I do not think any Minister of the Crown has ever made that statement before in the case of an industry of this kind. In view of that statement, I think it would be well for us to accept the situation. For we must all recognize that if we are going to get the wider markets which my hon. friends from the West talk about, we must increase the number of workingmen in this country. The United States, in 1872, discovered that the state of Illinois was producing such large quantities of wheat that their surplus was more than ample to supply all the requirements of the British market. And a great panic ensued, the people fearing that they could not find a

market. The Americans took that into consideration and increased their duty on everything, adopting a higher protective policy. They went on this basis: If a man in England is producing goods for the United States, only about ten per cent of the flour he consumes would be produced in the United States. And in our case today, if a man in the United States produces an article to be sent to Canada, only about one-tenth of one per cent of the food he consumes is produced in Canada. The remedy, of course, is to put up a tariff wall and have these men produce goods here. In that way the western farmer will get the benefit of the whole consumption of these people. And in the United States, by putting up that wall, they are enabled to consume virtually all the food they produce, except in some years when they have an exceptional margin of wheat, but are never in danger of suffering because of the need of a wider market.

The best place to get a wider market is right here in this country; Canada is suffering at the present time from too much importation. Many of our friends in the West, if given the choice between an American made and a Canadian made article, buy the American article. It does seem to me that the proper way to look at this matter is from the national standpoint; from the standpoint of what is going to benefit the country the most and of what is going to benefit the farmers in the West the most. How are they going to get their wider market? Every man who supplies goods to the people of this country should be compelled to live in Canada, so that he will help consume the grain of the West. Where are all these new cities going to get their workingmen? How are they going to exist unless the Government of this country wisely places a tariff upon certain articles and encourages their manufacture in this country? I heard a protest from hon. gentlemen from the West this afternoon with regard to quarry stone. A quarry employing 200 men is in operation a few miles this side of Winnipeg. Why should not all this stone be manufactured in Canada? I had some work to do in my riding on a public building, and I insisted that a large quantity of Canadian marble should be used in its construction. The result was that there was opened at Maddock a fine quarry that will supply millions of dollars worth of fine marble stone which might otherwise be brought all the way from Italy. Is it not better to have the workingmen of this country, who consume the beef and grain of the West, polish and manufacture this marble than to have it done by foreign workmen who consume only a very small proportion of the products of our farms? It is just as essential for us to have a large number of factories in this country and to have workingmen consuming our products as it is for the United States—and the example of the United States is a very good example to follow. I do not think anybody will suffer from this duty on wire rods; I do not think that the smaller people will be put out of business. I have an interest in a mill and if it were not beneficial I would be the first man to denounce it.

Mr. LOGGIE: I quite agree with my hon. friend that the duty will not hurt the small mill, but I fear the dictation of prices all over Canada. Why can we not in Canada manufacture rods into nails as cheaply as they can in the United States?

Mr. CURRIE: Does my hon. friend not think that the Canadian manufacturer is entitled to a fair and reasonable profit, or must he do business for nothing?

Mr. LOGGIE: Is it not a fair assumption that the United States manufacturer of nails makes a profit? Assuming that the rods cost the American manufacturer $24.50 a ton and the Canadian manufacturer $28 a ton, why should there be any greater difference between the prices of the manufactured article than the difference between the respective costs of the raw material? I have handled thousands of kegs of nails, and I have never in my life handled any other than Canadian nails for consumption in Canada.

Mr. EDWARDS: Have you ever made any money on them?

Mr. LOGGIE: I certainly have. I have bought United States nails in the United States for consumption in that country, and I have often wondered why there should be so much difference between the price in Canada and the price in the United States.

Mr. CURRIE: I told the hon. gentleman a moment ago that if the American manufacturers had to pay for their rods the price at which they are willing to sell them, $24.50, it would be impossible for them to sell nails at $1.75 a keg. But the American concerns have a

great many improved processes of manufacture. The larger concerns across the line own their own ore and their own coal and manufacture their own pig iron and steel, and they are willing to forego the profits on ten operations perhaps in order to make a profit upon one. I have never known the manufacturers of this country to sell nails at a price one cent higher than they were selling in Chicago, and I think that if the Canadians can get their nails as cheaply in Canada as they are selling in Chicago, nobody need worry.

Mr. LOGGIE: If the Canadian can get his nails at the same price as the American, plus the amount of the duty we are placing upon the rods, I shall make no complaint whatever.

Mr. CURRIE: The Canadian manufacturer cannot get his labour nearly as cheaply as it is obtained in the big iron centres of the United States. The labour employed in this business is largely coloured and foreign labour, Poles and Bulgarians. They are paid $1.25 a day, whereas we pay labourers $2 a day.

Mr. A. K. MACLEAN: I understand that there is a provision in the resolution whereby the new tariff applicable to wire rods shall not become operative until July next. If that is the case, will the minister explain why that provision has been made?

Mr. WHITE: Resolution 6 is as follows:

6. Resolved, that the foregoing provisions shall be held to have come into force on the seventh day of April, 1914, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day, except as otherwise provided in the foregoing resolutions:

Provided, notwithstanding any increase in Customs under the said resolutions, that all goods actually purchased on or before the sixth day of April, 1914, for importation into Canada, on evidence satisfactory to the Minister of Customs of the purchase having been so made, and all goods in warehouse in Canada on such day, if entered for duty after importation prior to the first day of July, 1914, may be entered at the rate of duty in force on the said sixth day of April, 1914.

The hon. member for South Cape Breton (Mr. Carroll), referring to that proviso said it was unprecedented. That is not the fact and I privately drew his attention to it after his speech. In 1904, upon what was regarded, as I regard this, as a partial revision of the tariff, a similar provision was attached to the tariff resolutions. I shall read the resolution of that day:

6. Resolved, that the foregoing provision shall be held to have come into force on the eighth day of June, 1904, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day, except as otherwise provided in the foregoing resolutions: Provided, that all goods actually purchased on or before the seventh day of June, 1904, at any place out of Canada, for importation into Canada, on evidence to the satisfaction of the Minister of Customs of the purchase having been so made, and all goods in warehouse in Canada on such day, may be entered for duty at the rate of duty in force immediately before the said day (without special duty); notwithstanding any increase in Customs duties under the said resolutions, but this proviso shall cease to have force and effect after the thirty-first day of August in the present year.

That was the resolution in 1904 applying to the tariff changes made at that time. I made inquiry about this matter and I think this was the reason that the proviso of 1904 was introduced just as is the reason for the proviso to-day: When a general revision of the tariff is being effected the people are aware that such revision is to be made and in consequence it is not usual to allow a time within which goods in respect of which contracts have been entered into for purchase shall be admitted; but in the case of such an extensive revision as, while not a general revision, is regarded as a partial revision of the tariff it is only fair that parties who have engaged to purchase goods, having had no notice that the partial revision was in contemplation, should be given a reasonable time within which to import at the existing rates goods which they had previously contracted to purchase. That is the reason why this proviso has been attached to the tariff resolution. It would seem to me manifestly unjust that in the case of a revision so extensive as this is men should be penalized by having to pay increased rates of duty in respect of goods they had ordered with delivery extending over a considerable period in the future, without having any notice that the revision was in contemplation.

Mr. SINCLAIR: There has been a long discussion of wire nails. I understand that there are a number of factories apart from nail manufactories using wire rods. Would the minister give a statement of the industries of which wire rods are the raw material?

Mr. WHITE: Wire rods are the basis of wire products of all kinds including wire

nails. The manufacturers of wire draw their wire from the wire rods and would be affected in this that their raw material is now dutiable to the extent of $3.50 per ton. Of course, my hon. friend knows that they have the benefit of a protective tariff so far as their industry is concerned and my hon. friend also knows that I have given a drawback in respect of the duty on wire rods entering into the production of wire used for wire fencing. I did that because I thought that the agriculturist of Canada was interested in the price of wire fencing and I therefore, gave the drawback of 99 per cent in respect of wire rod entering into the production of wire of 9, 12 and 13 gauge which is used in the manufacture of fencing. I have dealt with wire and with wire rods. My hon. friend was not in the House when I dealt with the other tariff item, with chains.

Mr. CURRIE: The minister has given a drawback on rods imported for the manufacture of wire fencing and I understand from the resolution that that is confined to certain numbers. I think it would be a wise provision if that was made applicable to all sizes of wire. It then would not injure anybody and would enable the mills to manufacture the smaller sizes in Canada in competition with the large stuff imported. That would give employment to a large amount of labour in the country and I feel satisfied that as far as fencing is concerned it would reduce the price to the western farmer. For the farmers' use a No. 11 is as good as a No. 9 fencing. A fence made from a No. 11 will sell for about twenty cents a rod with a fair profit while if it was No. 9 the same fence would have to be sold on the same basis at twenty-seven or thirty cents a rod. I do not wish to raise any controversy but I suggest that the minister consider that before the Budget is finally passed. There is altogether $2,000,000 worth of wire imported into Canada for fencing and the general impression amongst the farming community is that this fencing is free. The raw material is free but the moment it is manufactured into fencing there is a duty of thirty per cent so that the beneficent influence of the Sarnia Fence Company and other fence companies is not apparent to me or to anyone who understands business. If that is the case and they are getting a good profit on fencing, why should not the wire manufacturer get a little of that profit on some $2,500,000 a year worth of a product which might as well be made in Canada as in the United States?

[Mr. W. T. White.]

Items agreed to.

478a. Iron or steel bands, strips or sheets, number fourteen gauge or thinner, coated, polished, or not, and rolled iron or steel sections, not being ordinary square, flat or round bars, when imported by manufacturers of saddlery, hardware and hames for use exclusively in the manufacture of such articles in their own factories—British preferential, free; intermediate, free; general, free.

Mr. BOIVIN: I see that iron and steel bands, etc., when imported by manufacturers of saddlery, for use exclusively in the manufacture of such articles in their own factories, are to be admitted free. I suppose that is to encourage the manufacturers?

Mr. WHITE: To assist the industry.

Mr. BOIVIN: In the old tariff from No. 470 to 483, there are a large number of similar items. I think an application was made some time ago to the minister by a company in my county manufacturing steel planes and carpenters' tools that steel blanks for plane cutters and plane cutter caps should either be put on the free list or be given a drawback. These dies do not exist in Canada, and the blanks cannot be manufactured here. I see nothing in the tariff to that effect. This industry did not exist when the Fielding tariff was drawn up, and I would ask the minister if he has any intention of giving the same protection to these plane manufacturers as to the manufacturer of saddlery, hardware and hames?

Mr. WHITE: I do not recall the application to which my hon. friend refers, although no doubt it was made. As my hon. friend knows, it is unusual except on the occasion of the Budget to make any announcement as to proposed tariff changes, but I shall be very glad to look into the matter.

Item agreed to.

486. Iron tubing, brass covered, not over three inches in diameter, and brass trimmings, not polished, lacquered or otherwise manufactured, when imported by manufacturers of iron or brass bedsteads for use exclusively in the manufacture of such articles in their own factories—British preferential, free; intermediate, free; general, free.

Mr. A. K. MACLEAN: Is that the item which the minister referred to in his Budget speech?

Mr. WHITE: No. The size of the tubing has been increased from 2 to 3 inches in diameter.

Mr. MACLEAN: I had in mind some item in connection with brass, but I cannot find it.

Mr. WHITE: I will explain that to my hon. friend. As the item does not appear, some explanation is necessary before my hon. friend or any one else can understand it. Under the tariff of 1907, brass in bars and rods, in coil or otherwise, not less than 6 feet in length, and brass in strips, sheets or plates, not polished, planished or coated, was dutiable at 10 per cent general. An Order in Council was passed on the 11th August, 1908, placing brass upon the free list, as brass was not then manufactured in Canada. I believe that a firm which had been manufacturing brass, discontinued business owing to a fire. No other changes were made by that Order in Council, the tariff upon brass products remaining the same. There has been established in Toronto within the last year or so a copper and brass rolling mill, in which $250,000 capital has been invested. The plant is ready to produce brass in bars, rods and other forms.

Mr. A. K. MACLEAN: Can they meet the demands of the country?

Mr. WHITE: I am informed that they can. After making very careful inquiries we are convinced that no objection will be put forward by those who use brass as their raw material, to this restoration of brass to the old 10 per cent item in the tariff. My hon. friend will understand that at the time the tariff was fixed upon brass products, the minister would have in mind that there was this 10 per cent duty upon brass in bars or rods, which is the raw material for brass products of a more finished character. The Order in Council merely removed the duty upon brass,—the raw material,— but did not reduce the duty upon brass products. The mill in North Toronto being now in a position to manufacture brass in bars and rods, we are repealing item 717, which is the Order in Council of 11th August, 1908, and brass in bars and rods comes under the 1907 tariff. That is why it does not appear in these resolutions.

Mr. A. K. MACLEAN: Is the minister sure it can be done in that way? Is he sure that when once an article has been placed on the free list by Order in Council, it can be restored to the dutiable list by repealing the Order in Council?

Mr. WHITE: We repeal the Order in Council, but we do not repeal the item in the tariff under which this article will come.

M. MACLEAN: I quite understand that, but I was wondering whether the minister had power to put back to the dutiable list anything from the free list, simply by repealing the Order in Council. Perhaps he would have to amend the Customs Act.

Mr. WHITE: The item is standing in the tariff.

Mr. MACLEAN: I am talking about the raw material.

Mr. WHITE: The item is 349:

Brass in bars and rods, in coil or otherwise, not less than 6 feet in length, and brass in strips, sheets or plates, not polished, planished or coated—British preferential, 5 per cent; intermediate, 7½ per cent, general, 10 per cent.

That stands in the tariff to-day, and would be in force were it not for the Order in Council of 1908 which removed those duties. We are repealing the Order in Council so that brass will come under this item in the tariff.

Mr. A. K. MACLEAN: I was just wondering whether you could do that.

Mr. WHITE: There may be something in my hon. friend's view. The tariff and customs officers seem to have no doubt about it, but my hon. friend's opinion is worthy of consideration, and I will be glad to consider it.

Item agreed to.

542. Jute or hemp yarn, plain, dyed or coloured, when imported by manufacturers for use exclusively in their own factories for weaving purposes, or for insulating wire, or for the manufacture of hammocks and twines—British preferential, free; intermediate, free; general, free.

Mr. SINCLAIR: In connection with these items, 542, 543 and 545, dealing with jute, linen yarn, etc., it might be a suitable time for me to draw the attention of the minister to the question of fishing twine, to which I have already referred on several occasions. I have already drawn the attention of the Minister of Customs and the Minister of Finance to a request of the fishermen on the Atlantic seaboard for free fishing twine used in lobster fishing. The particular kind of twine used in that industry is called unbarked marlin. At present, the twine known as barked marlin is free. The history of it is that in the tariff revision of 1907 it was in-

tended that all fishing twine should be placed on the free list, but by some mistake unbarked marlin was not referred to in item 682 of the tariff which deals with the matter. It was announced by the Minister of Finance on that occasion that fishing twine was to be free. It was discovered later on that unbarked marlin was omitted. This discovery was not really made until two or three years ago and for a number of years after the last revision of the tariff this particular kind of twine was admitted free in the customs houses of Nova Scotia. When the present Government came into power a circular was sent out by the Minister of Customs warning the customs officers against admitting this twine free any longer. The consequence was that a duty of 25 per cent was levied upon this twine.

Mr. WHITE: Does my hon. friend suggest that the present Government rendered a decision in this matter that was not in force before?

Mr. SINCLAIR: Yes, practically that. I drew the matter to the attention of the Government in the session of 1912, and the minister will find in the discussion a copy of the notice that was sent out by the Commissioner of Customs notifying the customs houses to levy this 25 per cent duty upon this particular kind of twine. As a matter of fact, the first notice that was sent out was an instruction to levy on both kinds of twine used in the lobster fishery, but that was afterwards corrected and it was then confined to what is known as unbarked marlin. Right or wrong, this twine had been admitted free until these instructions went out subsequent to the advent of the present Government to power.

I thought I would only have to draw the matter to the attention of the Government to have it adjusted, and I have done so on several occasions. The last time, in February of this year, I had the assurance of the Minister of Customs that when the tariff was dealt with this matter would be attended to. It was not attended to, and when the Budget came down I made an inquiry and the minister on that occasion stated that there was some difficulty about it, but he did not explain very fully what the difficulty was.

I note that in these items that we are dealing with at the present time the minister is generous to the manufacturers, but he does not seem to have the same interest in the fishermen. For example, 533a:

> Garnetted wool waste in the white when imported by manufacturers of woollen goods for use exclusively in their own factories

is free. The next item:

> Jute or hemp yarn, plain, dyed or coloured, when imported by manufacturers for use exclusively in their own factories for weaving purposes, or for insulating wire, or for the manufacture of hammocks and twines

is free. The next item, 543

> Linen yarn when imported by manufacturers of towels, damask, or seamless linen fire hose duck, for use exclusively in the manufacture of such articles in their own factories

is free. If there is a reason for refusing the request of 65,000 fishermen on the coast of the Maritime provinces I would like to know what it is. In this discussion it has come out on more than one occasion that changes have been made and duties imposed at the instance of one small factory. Last night it was disclosed that a small firm of Yankees at Port Hope had influence enough with this Government to get their raw material placed on the free list. Another small firm at Windsor had influence enough to impose a tax on caustic soda which is used by the soap manufacturers of this country and which will affect every man who uses soap and we all do on this side of the House. How does it come that the fishermen have not any influence with this Government?

Mr. GRAHAM: They do not use the right kind of bait.

Mr. SINCLAIR: I think that some little concession is due to the fishermen of this country. The right hon. Prime Minister (Mr. Borden) promised them free medicine although he seems to have forgotten all about it. The free twine I am asking for now is only a bagatelle compared with the expense of providing free medicine and free medical attendance for the 65,000 fishermen on the coast of eastern Canada. In my own constituency the fishermen and farmers have been turned down in every request they have made to the present Government. The hon. Minister of Public Works (Mr. Rogers) cancelled all the appropriations by the late Government for the building of breakwaters and improvements along the coast of the county I represent. He cancelled them after they had been voted and after tenders had been asked and contracts made in some cases. When I asked him why he did it he

said that he had other more important places to attend to. The hon. Minister of Railways and Canals (Mr. Cochrane) cancelled a contract to build a branch line in my constituency and he did not stop there. He imposed a higher rate of freight on fresh fish and now the men who are engaged in the fishing industry have to struggle against that difficulty. If they want to send a carload of fish to the market they have to pay $10 or $12 more than they had to pay in 1911. The hon. Minister of Trade and Commerce (Mr. Foster) when we asked him if he would consider an application from the fishermen along the coast for better communication with the Boston market so that they could get the advantage of the big prices that are going there for their fresh fish hardened his heart too and would not listen to our request. I thought I would have better luck with the Minister of Finance. I thought I was approaching a man who takes a broader view and does not allow questions of petty politics to enter into the consideration at all. I was depending upon him to do something and I must say that if he does not do something in this matter I will be very much disappointed. I am playing my last card now and if I lose the game it will be too bad. I will have to go home and tell the fishermen in my constituency that I have asked the Minister of Finance to put this right and that he has refused to do so. I trust that I will not have to do that.

Mr. LOGGIE: I would suggest to the minister that he might arrange the difficulty that my hon. friend from Guysborough (Mr. Sinclair) has spoken of. Cordage and rope less than 1½ inches in diameter is now on the free list for use in the lobster fishery and if he will put manilla marlin for use in the lobstery fishery on the free list it will meet the case.

Mr. WHITE: With regard to the recital of his troubles by the hon. member for Guysborough (Mr. Sinclair) it puts me very much in mind of a line from Hamlet that I heard the other night:

> One woe doth tread upon another's heels.

I have had due regard to what the hon. member for Guysborough draws to my attention and I have taken occasion to look into this matter of lobster twine recently. There is a statement which my hon. friend has made which I think he will withdraw when the facts which I have before me are brought to his attention. I have understood him to say that the present Government made a ruling which had not been adopted during the late Government's period of office in respect to the matter of this duty upon twine.

These are the facts. On the 18th of March, 1909, the collector of customs at Yarmouth advised the department that this twine was also used by furniture manufacturers and iron foundries in tying packages for shipments; and on the 26th of March, 1909, the collector was advised that such twine, although used for lobster traps, was not entitled to free entry. On the 14th of March, 1911, the collector of customs at Chatham forwarded a letter to the Department of Customs, inquiring as to the tariff classification of this twine when used for lobster traps. He was advised on the 18th of March, 1911, that it was dutiable. The ruling made in December, 1911, was in accordance with decisions previously given. I have made some inquiries and have been informed, although I do not pretend to have exhausted my inquiries in the matter, that it is almost impossible to place this twine upon the free list with the limitation that it is to be free when used for the fishing business, because once it has found its way into the hands of the retail dealers, it is quite impossible to follow it, so that it would really be making it free for all purposes.

Mr. A. K. MACLEAN: We have the same provision in connection with ropes for lobster fishing.

Mr. WHITE: I am advised by the customs officers that, in their opinion, it would be impossible to follow the twine in question. The effect of placing it upon the free list for the purpose that my hon. friend has in mind would be that it would be practically free for all purposes. I intend to pursue my inquiries further, and I will give the matter careful consideration before the final revision of the tariff takes place. At the present time I am unable to accede to the request of my hon. friend and place this twine on the free list for the reasons that I have given.

Mr. SINCLAIR: I am obliged to the minister for his explanation. I did not intend to mislead the committee about the facts. I did not have the information that prior to 1911 any inquiry had been made about the matter; but I was aware that a circular, which got into the press and was sent to all

the Customs House officers, was issued in September, 1911, by the commissioner. That was the only circumstance brought to my attention in regard to the matter. I was also told by customs officers in the Maritime provinces that this particular twine was admitted free under the late Administration and I thought that information was correct. It was the case in some places. In regard to the difficulty, I think the minister will have no more difficulty than he has already in regard to twine admitted for fishing purposes. It is quite true that once in a while people will deceive the department, and that men will import rope for fishing purposes and use it for other purposes. I have no doubt they will do the same thing as regards twine, but I do not think the frauds committed in that way will be very extensive.

Mr. LOGGIE: I suppose the greatest difficulty will be that the country merchants who put the price down on the basis of its being imported and the buyer, as a rule, are under no special obligation.

Item agreed to.

546. Jute cloth or jute canvas, uncoloured, not further finished than cropped, bleached, mangled, or calendered—British preferential, 7½ per cent; intermediate, 10 per cent; general, 10 per cent.

Mr. A. K. MACLEAN: Will the minister please explain whether there is an increase in the duty upon these articles; and if so, the reason offered for the increase?

Mr. WHITE: This matter is a little difficult to explain. Will my hon. friend look at tariff item 545, which reads:

Jute and jute butts, jute cloth as taken from the loom, not coloured, cropped, mangled, pressed, calendered, not finished in any way; and jute canvas, free.

The change made is due partly to the fact that it is required for administrative purposes, because it is difficult to distinguish jute canvas from jute cloth. This item 545 formerly included jute canvas, uncoloured, without any limitation. As jute canvas is jute cloth, the Department of Customs in January, 1912, ruled that jute canvas, uncoloured, not further finished than cropped, bleached, mangled or calendered, was free. The ruling practically cancelled item 546. The change now made removes any doubt as to the intention of Parliament. In item 546 of the tariff resolutions, the words 'on jute canvas' have been added after the words 'jute cloth' and jute canvas uncoloured, not further finished than cropped, bleached, mangled or calendered, become subject to a general tariff of ten per cent.

Mr. A. K. MACLEAN: And for the last year you have not been collecting that duty?

Mr. WHITE: No, and jute canvas is now dutiable whereas before it was not.

Mr. MACLEAN: Is there any reason for that?

Mr. WHITE: No, except that it cannot be distinguished from jute cloth and there is the same reason for a duty on jute canvas as there is for a duty on jute cloth. I suppose the ordinary principle of reasonable protection would apply.

Mr. GRAHAM: Has this anything to do with the manufacture of bags?

Mr. WHITE: I think so, but, frankly, I do not know a great deal about jute canvas and jute cloth. The change is made as much for administrative purposes as any other.

Mr. GRAHAM: This matter was drawn to my attention through a gentleman, who said that he rather expected it would be dealt with in committee by the minister himself. He informs me that it will affect bag manfacturing, and so will affect the users of bags. The principal point to which he drew attention was in connection with the shipment of grain from the West. If grain is shipped westward for transit by the Panama canal, I think it is admitted that it will have to be bagged. Therefore a duty on this raw material for bags may form quite an item as against not only the bag manufacturers but the grain producers as well. As a matter of fact, it was the hon. member for Huntington (Mr. Robb) who brought me the information, and he being a leading miller is quite an authority. The party who brought it to his attention said he had made representations to the minister, who, he expected, would deal with it in committee.

Mr. WHITE: No objection has been raised to this change on behalf of any bag manufacturer. Under item 252 of the tariff bags or sacks of hemp, linen or jute are dutiable at 20 per cent. I am not increasing that duty. I imagine there is no danger of an increase in the price of bags, because those manufacturers like others will be charging such prices as they are able to obtain for their product. I can-

not conceive that the imposition of a small duty on jute or canvas will have an appreciable effect upon the price of bags.

Mr. LOGGIE: Do not the bagmakers use jute imported free under item 545?

Mr. NESBITT: That is the intention. I brought this matter up the other night, and it was explained that the reason why there were these two items instead of the one item in the existing tariff, was that some manufacturers were bringing in jute canvas further manufactured than is allowed under section 545 because the custom houses were construing the clause improperly in some places.

Mr. J. D. REID: This is to make it plain.

Mr. WHITE: And I will draw attention to the fact—I believe it to be a fact, though I am not positive—that in the case of such exports of grain as the hon. member for South Renfrew (Mr. Graham) speaks of, a drawback is granted. 11 p.m.

Item agreed to.

548. Twine or yarn of paper when imported by manufacturers of furniture for use only in their own factories in the manufacture of furniture—British preferential, free; intermediate, free; general, free.

Mr. WHITE: The purpose of this change is to bring about uniformity with item 724 of the present tariff which provides that this article is to be admitted free when imported to be 'woven into fabrics' in Canadian factories. I am advised that it was intended that this should cover the case of manufacturers of furniture, but the words 'woven into fabrics' are not applicable to the processes in which the furniture manufacturer uses this twine. The change is designed to include manufacturers of furniture, widening the item to that extent.

Mr. SINCLAIR: It would be on all fours with the case I was putting to the minister in regard to fishing twine.

Mr. WHITE: But this could be much more readily checked up, the hon. gentleman will admit.

Mr. SINCLAIR: Perhaps so.

Item agreed to.

575. Embroideries, n.o.p., lace, n.o.p., braids, n.o.p., tapes of cotton or linen not over one and one-quarter inches in width, not including measuring tape lines, fringes, n.o.p., cords, elastic, round or flat, garter elastic, tassels, handkerchiefs of all kinds, lace collars and all manufactures of lace, nets and nettings of cotton, linen, silk or other material, n.o.p., shams and curtains, when made up, trimmed or untrimmed, corsets of all kinds, linen or cotton clothing, n.o.p.—British preferential, 25 per cent; intermediate, 32½ per cent; general, 35 per cent.

Mr. WHITE: We have included here all braids, n. o. p., and tapes of cotton or linen. This change is made partially for administrative purposes; the increase in revenue will not be considerable. These tapes are made by the Belding Paul Corticelli Company and other manufacturers in Canada, and it is almost impossible, I am told, to distinguish between the tapes and the braids. So we have placed tapes in the item.

Mr. BOIVIN: I see the word 'garter elastic.' But I understand there is another item in the tariff which covers elastic over one inch width on which the duty is 20 per cent. Can the minister tell me the reason for this difference of duty between 35 per cent on narrow elastic and 20 per cent on elastic slightly wider?

Mr. WHITE: This is a matter my hon. friend drew to my attention in connection with webbing used for the manufacture of suspenders. Is that what he has in mind?

Mr. BOIVIN: Yes.

Mr. WHITE: Respecting the request for additional duty on webbing used in the manufacture of suspenders and other articles, the manufacturers of suspenders contend that, owing to the large variety of designs or patterns of webbings required in their industry, it would not warrant the establishment of a factory in Canada to manufacture said webbings. The webbings form the component material of chief value in the manufacture of suspenders. It was, therefore, considered advisable to leave this matter over for attention when general revision of the tariff takes place. There was another matter to which my hon. friend drew attention.

Mr. BOIVIN: The other matter was giving relief to the manufacturer of this elastic either by giving him a drawback or allowing him a free entry for cotton yarns used in the manufacture of elastic. I see that under this tariff jute yarn, hemp yarn, linen yarn and woollen yarn are admitted free when used by Canadian manufacturers for the production of different articles.

Application has been made to the depart-

ment—it has undoubtedly been considered, although no change has been made in the tariff—for the placing of cotton yarn on the free list in order that it may be used in the manufacture of elastic fabric. It is admitted by the cotton manufacturers that what they call combed yarn and mercerized yarn is not manufactured in Canada and cannot be obtained in this country. Coarse cotton yarn is produced in small quantities in only one factory in Canada, that of the Dominion Textile Company, I think. I understand that the minister has in his department a letter from that firm saying that they have used their entire output and have none for sale. There is in my constituency a factory engaged in the manufacture of elastic webbing. Four years ago elastic webbing was not manufactured in Canada; at the present time there is a factory at Granby—the Granby Elastic Webbing Company—and, I understand, one at Hamilton; these are the only two in Canada. The reason given by the hon. minister a moment ago for not increasing the duty on the wider fabric is a very good one, because that would increase the price to the suspender manufacturer and he in turn would be obliged to increase the price to the public. Of course, as the minister has said, it is only when the Budget is brought down that we are supposed to get from him information concerning the different changes in the tariff, but I would point out that this application has been before the department for almost two years; that two Budgets have been brought down and that we have never received any information. I would ask the minister if he could not give this matter his consideration with a view to seeing whether these cotton yarns could not be placed upon the free list. If he cannot, he should tell the committee now, in order that I may be in a position to transfer the information to the stockholders of this company, why this yarn is not to be placed upon the free list.

Mr. WHITE: I am obliged to my hon. friend for the information which he has given me. He is, no doubt, aware that no tariff changes are announced or no information given with respect to the modification of tariff rates except in the Budget speech. Facts are brought to the attention of the Minister from time to time and requests are made for tariff action. I frequently receive letters from parties—and their names are legion—asking me what I propose to do with regard to their requests, and my answer, couched always in very courteous terms, is that they will have to wait until tariff announcements are made in the Budget. The matter to which my hon. friend draws my attention might, I think, be dealt with in two ways. It might be dealt with in the Budget or it might be dealt with by Order in Council, because the Governor in Council, has the power, under existing legislation, to reduce or to remove the duties upon articles which enter into the manufacture of Canadian products. All that I can say to my hon. friend at the present moment—and I am sure that he will acquit me of any discourtesy—is that I shall be glad to give the matter careful consideration with a view to seeing whether or not anything can be done in the premises.

Mr. BOIVIN: I quite understand that the hon. minister cannot make any announcement of tariff policy to-night or at any other time, except in the Budget speech, but I thought in view of the fact that the request had been refused, that the reason for that refusal might be given. That would not be a tariff announcement.

Mr. WHITE: In a matter as complicated as the tariff, it is not feasible to give reasons for a refusal, because such diametrically opposite views exist with respect to tariff changes that on that ground alone it is not well that such reasons should be reduced to writing. My hon. friend will have to rest content with the answer which I give to all other parties making requests with regard to tariff matters: That if the Government has any announcement to make it will be either in the Budget or by action of the Order in Council. That is all that any Minister of Finance is able to say with respect to inquiries regarding tariff matters.

Mr. STANFIELD: Did I understand the hon. member for Shefford to say that the people manufacturing this material could not get combed yarn in Canada?

Mr. BOIVIN: I am not a member of the company, nor have I any direct interest in the undertaking, but I have been informed by the manager of the concern that it is impossible to get in Canada combed yarn for the manufacture of elastic webbing.

Mr. STANFIELD: The hon. gentleman may be interested to learn that it may be

obtained in large quantities from the Dominion Cotton Company.

Item agreed to.

577. Silk in the gum or spun silk, when imported by manufacturers of silk thread, silk underwear or of woven labels, for use exclusively in the manufacture of such articles in their own factories—British preferential, free; intermediate, free; general, free.

Mr. WHITE: I desire to change the wording of this item so that it will read as follows:

Silk in the gum or spun silk when imported by manufacturers of silk underwear or of woven labels and spun silk, when imported by manufacturers of silk thread, when used exclusively for the manufacture of such artcles in their own factories, free.

Item as amended agreed to.

575. Embroidery, n.o.p., lace, n.o.p., braids, n.o.p.. etc.—British preferential, 25 per cent; intermediate, 32½ per cent; general, 35 per cent.

Mr. GRAHAM: Will that interfere with the cost of raw materials to the manufacturers of suspenders in Canada?

Mr. WHITE: I think not. We are simply inserting tapes because they cannot be distinguished for administration purposes from braids. I do not think it is an important item. No objection has been raised as far as I know to its inclusion in this item.

Mr. GRAHAM: I had an inquiry from a manufacturer in my own town asking about it and I was not prepared to say what the effect would be.

Item agreed to.

651a. Buttons of vegetable ivory, per gross—British preferential, 5 cents and 20 per cent; intermediate, 5 cents and 30 per cent; general, 5 cents and 30 per cent.

Mr. LOGGIE: Why is it necessary to add this high specific duty?

Mr. WHITE: It is due to the fact that manufacturers of buttons from vegetable ivory in Canada are subject to keen competition from Austria and Germany, the product of Austria being entitled to entry under the intermediate tariff. We have increased the rates on these buttons of vegetable ivory with a view of making conditions less trying to the Canadian manufacturer. I think it is a necessary change.

Mr. LOGGIE: It seems to me that the specific duty added to the thirty per cent ad valorem makes a very high rate.

Item agreed to.

On resolution No. 5—prohibited goods:

Mr. GRAHAM: The Customs Department ought to be careful that the officers know an aigrette when they see it. I was on a train and the customs officer was inclined to take a cheap plume from a lady, thinking, from the minister's speech, that it was one of the articles prohibited.

Resolution agreed to.

Mr. WHITE: In item 1023 I want to omit after the word 'bars' the words 'or turned and polished shafting', so that the item will read:

Rolled hexagon iron or steel bars when used in the manufacture of cold drawn or cold rolled iron or steel bars.

Mr. NESBITT: Why are those words being left out?

Mr. WHITE: If my hon. friend will allow me I will give that information to-morrow. It is so technical that I shall have to consult the experts. There are two resolutions, Nos. 29 and 31, of Government orders that relate to the tariff. I am advised that they may be taken up by the Committee of Ways and Means. I would ask if you, Mr. Chairman, or Mr. Speaker, see any objection to this course. They relate to the drawback provision in respect to duties paid on pig-iron imported into Canada and entering into the production of articles exported by Canadian manufacturers and into the manufacture of mowers, reapers and binders. It is my intention, because I think it inadvisable to have two tariff Bills in one session, that No. 31 should be included in this resolution so that all may be embodied in one Bill. No. 29 is a separate matter and will be covered by a separate Bill.

The CHAIRMAN: I have no objection.

Mr. WHITE: I shall be prepared to give information on resolutions 29 and 31 if the House desires it.

Mr. GRAHAM: Is not the explanation practically what we have been discussing to-night; it synchronizes with what we have been debating. You have to have those resolutions in order to carry out your tariff.

Mr. WHITE: No. 31 is a resolution relating to the Customs tariff, and I am advised that I can move it now. My hon. friends opposite, I think, understand my object in making this change, which is for the purpose of benefiting the steel industry. Manufacturers of goods for export into which pig-iron enters as a basic mate-

rial, and manufacturers of the articles mentioned in this resolution 31 on the Order Paper, who are entitled to a drawback in respect of their manufactures of mowing machines, reapers, harvesters, binders and attachments for binders, find it to their advantage to buy all their pig-iron from abroad rather than in Canada. It is at their request and after they have directed the attention of the Government to this matter on more than one occasion that we have decided to bring down this legislation. I explained it rather fully on the occasion of the Budget, and I do not think it is necessary to go into it now. The only question now is a matter of procedure. I would ask that Order No. 29 be not included in these resolutions, as it is an amendment to the Customs Act. No. 31 is an amendment to the Customs tariff, and it is the latter that I am anxious to have covered by the Bill which I shall introduce in respect to these resolutions, so that it will suffice, Mr. Chairman, if you include in the resolutions Order No. 31 on the Order Paper.

Mr. SINCLAIR: I did not catch the effect of the minister's amendment to item 1023, where he struck out the words 'or turned and polished shafting.' Does that mean that the manufacturers of shafting shall not get a drawback?

Mr. WHITE: The information I have is that rolled hexagon iron or steel bars are not used for shafting.

Resolutions reported, read the first and the second time and concurred in.

On motion of Mr. White, the House adjourned at 11.33 p.m.

Friday, May 1, 1914.

The House met at Three o'clock, the Speaker in the Chair.

CUSTOMS TARIFF AMENDMENT.

Hon. W. T. WHITE (Minister of Finance): The resolutions which I introduced on the occasion of my Budget speech were yesterday approved by the Committee of Ways and Means, and afterwards concurred in by the House. I now beg leave to introduce a Bill No. 169, entitled an Act to amend the Customs tariff, 1907, founded upon those resolutions.

Motion agreed to, and Bill read the first time.

[Mr. W. T. White.]

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. MACDONELL: I desire to rise to a question of privilege. The hon. member for Brant (Mr. Fisher) and the hon. member for North York (Mr. J. A. M. Armstrong) yesterday brought to the attention of the House an article in the Toronto Globe of Wednesday, the 29th April, asserting that certain members of the Government were outspoken in their opposition to the Canadian Northern railway deal as announced by the Government. I was not in the House when the matter was brought up by the hon. member for Brant, otherwise I would have joined him in denying the accuracy of that statement. My own name was mentioned among others, and I take this first opportunity of denying that there is any reason or foundation for such a statement. On the contrary, I think the transaction has been handled in a most businesslike and thorough manner by the Government, and in the only manner in which it could be properly handled. The agreement will have my most cordial support.

THE DUTY ON STRUCTURAL STEEL.

On the Orders of the Day being called:

Hon. W. T. WHITE (Minister of Finance): My attention has been called to a report in to-day's issue of the Montreal Gazette and in certain other newspapers By inadvertence an erroneous impression has been created as to what I said yesterday during the discussion of certain steel items in the tariff. The report is as follows:

> That there may be some further revision of steel duties required to meet the existing conditions in Canada, particularly as regards structural steel, was intimated by Hon. W. T. White to-night, during the discussion of the steel items in the tariff schedules. Mr. White said that the bridge manufacturers and allied interests in particular were naturally deeply interested in this question, and would have representations to make which might result in some further changes. The nature of these he did not indicate.

I shall read from 'Hansard' what I said. I was speaking of the resolution under which the Governor in Council is authorized, when satisfied that rolled iron or steel angles, beams, channels, and other rolled shapes or sections of iron or steel weighing 120 pounds and less per lineal yard are manufactured in substantial quantities in Canada from steel made in Canada, to direct that there be substituted for tariff item 379 in schedule A to the customs tariff, 1907, the following:

379. Rolled iron or steel angles, beams, channels, and other rolled shapes or sections, of iron or steel, not punched, drilled or further manufactured than rolled, weighing over one hundred and twenty pounds per lineal yard, n.o.p. not being square, flat, oval or round shapes, and not being railway bars or rails per ton—British preferential, $2; intermediate, $3; general, $3.

I explained to the House that the effect would be that on structural steel, from 35 pounds per lineal yard up to 120 pounds per lineal yard, the general rate of $7 per ton would be imposed. That is now the rate on structural steel up to 35 pounds per lineal yard. The item which I have read will not become effective until the Governor in Council so directs, after being satisfied that rolled iron or steel angles and the other products mentioned are manufactured in substantial quantities in Canada. What I said, in answer to my hon. friend from Pictou (Mr. Macdonald), was:

I am in hopes that within the next year and a half or two years plants will be established at the Sault, and possibly at New Glasgow, Sydney and Hamilton, capable of manufacturing structural steel up to 120 pounds per lineal yard. As soon as the Government is satisfied that structural steel up to that weight can be manufactured in Canada, the increased duty will come into effect. It is possible that some other adjustments of the tariff may have to be made by reason of that change when it comes into effect. For instance, the manufacturers of bridges are interested in this duty upon structural steel.

Of course, it was not in my mind that a change would be made in the $7 per ton duty which this item imposes. I said that when the change comes into effect it is possible that some other adjustments of the tariff will have to be made in consequence of that change. Not, of course, upon these products, but upon other products; or, in other words, what are known as consequential changes. I desire, therefore, to make it plain that the adjustment which I had in mind did not relate to these products. I may say, in order that there may be no doubt whatever about the matter, that it is not the intention of the Government to introduce any further tariff changes at this session of Parliament.

Sir WILFRID LAURIER: But to keep an open mind for the future.

Mr. WHITE: My right hon. friend knows that my distinguishing characteristic is an open mind.

Sir WILFRID LAURIER: Yes, that is so, but not always in the right way.

Mr. WHITE: I am glad that my right hon. friend and I agree upon the main point.

CANADA GRAIN ACT AMENDMENT.

On motion of Hon. George E. Foster (Minister of Trade and Commerce), the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved that it is expedient to amend the Canada Grain Act, chapter 27, of the Statutes of 1912, and to provide that advances to an amount not exceeding five hundred thousand dollars may be made to the minister out of the Consolidated Revenue Fund of Canada for the payment of freight charges and weighing and inspection fees on grain received into or shipped from elevators operated and managed by His Majesty, and that such payments shall be subject to all the provisions of the Consolidated Revenue and Audit Act, and when the amounts so paid are refunded to His Majesty they shall be paid to the Minister of Finance and Receiver General of Canada for deposit to the credit of the said Consolidated Revenue Fund.

Mr. OLIVER: Before the resolution is adopted, I am sure the Minister of Trade and Commerce will give the committee some information that was asked for on a previous occasion in regard to the operation of the Canadian terminal elevators, to facilitate which operation this resolution is to be be passed.

Mr. FOSTER: Perhaps my hon. friend would be just as well pleased to take that up when we come to the Bill. This is simply a resolution, and the information that he requires I shall then be prepared with. If my hon. friend will kindly indicate what particular information he desires to have, I shall be ready with it when we take up the Bill, probably on Monday or Tuesday.

Mr. OLIVER: The information requested of the minister was as to the rates that were to be charged for services in connection with the interior elevators and the system under which business would be transacted.

Mr. FOSTER: I shall be prepared with any information relating to that.

Mr. OLIVER: We would like to have the fullest possible information in regard to how the Government intends to operate those elevators, pending their completion, and in regard to the handling of the coming crop. There may be further information required in regard to the terminal elevator at Fort William.

Mr. FOSTER: My hon. friend will recollect that, in Committee of Supply, we passed the Estimates referring to elevators, and I

said that when we were on the Estimates referring to steamship subsidies, any questions that had not been asked with reference to the elevators or their operation could be asked and would be answered when we took up those Estimates. There is still an item remaining in the Estimates on which that could be brought up.

Mr. OLIVER: I should think, if I might make the suggestion, that the discussion of the Bill based on these resolutions would be the most convenient occasion for the minister to have all the information on the elevator business and the operation of the Grain Act.

Resolution reported and concurred in.

Mr. Foster thereupon moved for leave to introduce Bill No. 170, to amend the Canada Grain Act.

Motion agreed to, and Bill read the first time.

BUTTER SUBSTITUTES.

On the motion of Hon. Martin Burrell (Minister of Agriculture), the House went into Committee on Bill No. 112, to regulate the Manufacture and Sale of Dairy Products, and to prohibit the Manufacture or Sale of Butter Substitutes, Mr. Blondin in the Chair.

On section 4—quality of milk to be delivered to manufacturers or shippers:

Mr. BURRELL: This is the same as the section in the existing Act, except that the words milk powder or casein manufactory, or to a milk or cream shipping station, or to a milk bottling establishment or other premises where milk or cream is collected for sale or shipment, are added, in order to cover new processes introduced since the old Act was brought into force.

Mr. OLIVER: I do not wish to delay the progress of the Bill, but the dairy industry is a very important industry in the part of the country I represent. While it may be that no trouble has arisen in the past, it strikes me that there is a great deal of room for trouble under sub-section (b) which reads:

(b) Milk from which any portion of that part of the milk known as strippings has been retained;

I do not know how far the hon. Minister of Agriculture is familiar with the practical operation of dairying, but I think this is a provision that is not practical, and that under it a dairyman might be made the subject of proceedings when such proceedings were not at all warranted. I quite agree that there should be punishment for putting in impure or diluted milk, but to say that a farmer must put all the milk he gets from each cow into the product he sends to the factory is, in my opinion, and with all due respect to former legislators, absurd.

Mr. BURRELL: I do not know that there has been any trouble under the old Act which included these words. And, of course, this is one of the causes that call for only minor penalties. But as the hon. gentleman knows, because he probably, like the rest of us, has milked a good many cow, the richest part of the milk is in what is known as the strippings, and there may be a temptation to a fraudulent keeping back of that part of the milk. I do not think there would be any harm in leaving the subsection in.

Mr. OLIVER: If the hon. gentleman does not want to improve the legislation, all right.

Mr. BURRELL: I think it better to leave it in.

Section agreed to.

On section 5—butter substitutes and remanufacture of butter prohibited:

Mr. BURNHAM: What are people to do who wish to purchase an absolutely healthy substance, labelled as what it is, and not purporting to be butter?

Mr. BURRELL: This matter has been discussed very thoroughly not only by the dairy associations but also in the Agricultural Committee of this House, where this clause was carefully considered. I am not disputing that oleomargarine might be made of perfectly healthy substances and be wholesome as food; but, on the other hand, this is the oldest piece of dairy legislation on our statute book, passed in 1886; and though there have been occasional criticisms, I do not think that any Government has thought it wise to change it, nor, I confess, do I. Although oleomargarine may be wholesome, yet, unfortunately, in practise, where the by-product of carcases of animals can be made up into a product resembling butter, although it may be sold by the merchant on its merits as oleomargarine, yet, by the time it gets to the table of the second-rate hotel or restaurant, it is sold to the customer who pays for butter. In the United

States, where they have had some such provision as the hon. member would indicate, they found it almost impossible to work it out in practise, and it has given endless trouble. I must say that in the interests of the dairymen as well as of the general public it would be very unwise to alter this section.

Mr. BURNHAM: I cannot agree that this legislation is in the interests of the general public. Public inspectors may well be appointed, but the assertion that poor people should not have the privilege of buying a perfectly wholesome product is, on its face, untenable. I do not say for one moment that in the dairy interests this legislation is inadvisable, but it cannot be in the interests of all the public.

Mr. BURRELL: Of the majority of the public.

Mr. BURNHAM: Surely the object of legislation is to legislate for the people.

Mr. BURRELL: My hon. friend knows that you cannot get absolute unanimity of opinion.

Mr. BURNHAM: I maintain that that portion of the public which is the least able to buy food and the least able to maintain its own rights should have every facility for the obtaining of food and should be allowed to purchase cheap food so long as it is good and wholesome. There is no denying that oleomargarine, if properly made, is good food, and to take any action to prohibit its use is to do something in the interests of the dairy people, but not in the interests of the public who would like to buy it.

Mr. BRODER: The real object of this legislation is to do away with imitations of real butter. People may eat lard and tallow if they wish to do so, but it should not be coloured and sold to the public as butter. The genuine article ought to be protected.

Mr. NESBITT: The hon. member for Dundas says that if the people want to eat lard they can, but lard is not oleomargarine; it is a different thing altogether. Oleomargarine is a perfectly wholesome product, probably just as wholesome as butter. Of course, the Bill has been passed by the Agricultural Committee and, as the minister thinks that this legislation is in the interests of the country at large, I do not intend to say anything against it, but I share in a measure the views of the hon. member for West Peterborough.

Mr. OLIVER: Has the minister or the Government any information as to any infractions of the law?

Mr. BURRELL: I could not give my hon. friend any specific instances. We are continually enforcing our Butter Act; so far as oleomargarine is concerned, I think the law has been pretty well lived up to, because it is known that the department will strongly attack any attempt to contravene the law. Notwithstanding what the hon. member for West Peterborough says, I have no doubt that if we eliminate this section and allow the production of butter substitutes, it would take a whole army of inspectors to prevent fraud.

Mr. NESBITT: Does the minister know of any oleomargerine having been sold in Canada ?

Mr. BURRILL: I could not answer my hon. friend on the spur of the moment; I shall be glad to get him that information.

Mr. OLIVER: What is the minimum amount of water permitted in butter ?

Mr. BURRELL: Sixteen per cent.

Mr. OLIVER: Is subsection (c) a new provision ?

Mr. BURRELL: Perhaps I can make the matter clear by reading section 299 of the old Act:

> No person shall mix with butter any acid, alkali, chemical or any substance whatever, which is introduced or used for the purpose or with the effect of causing the butter to absorb water or any part of milk or cream; or manufacture, import into Canada, or offer, sell, expose or have in his possession for sale any such mixed butter, any renovated butter or process butter.

Subsection (c) of section 5 of the present Bill makes it quite plain that we can prosecute those who undertake commercially what is known as the process of renovating butter by re-churning and adding more water.

Mr. OLIVER: There is a difference between grading, mixing the butter and putting it into merchantable shape, and reworking it for the purpose of introducing an extra amount of water. The big dairying establishments have out-stations at which they buy cream and butter from the farmers. The butter is made up into different forms and qualities, but is probably perfectly good butter, though not in mer-

chantable shape. It is brought to the central factory, graded, re-worked, put into merchantable shape and sold. I know that that is a legitimate part of the business of large dairy interests in Edmonton. I have never heard any objection to its being done; it always struck me as being a very proper proceeding.

Mr. BRADBURY: They closed a factory in Winnipeg for doing the very same thing.

Mr. OLIVER: Possibly; but it seems to me to be a method strictly in line with the best interests of all parties concerned. It enables the farmer to get a cash price for his butter and enables the dealer to dispose of it to the satisfaction of his customers.

Mr. BRODER: Re-churned?

Mr. OLIVER: I do not know whether it is re-churned, but it is re-worked.

Mr. BURRELL: I think that would be all right. I understand what my hon. friend means. The trouble is that there has been a definite commercial process of absolute fraud in renovating butter, absolutely re-churning poor butter and adding water, the result being that it would keep for only a couple of days, while the water has been sold for the price of butter so that firms are making hundreds of dollars a day. There would be no desire to interfere with any legitimate process of re-working butter. The desire is to stop the fraud that is now being practised.

Mr. OLIVER: This section does not prevent the legitimate re-working of butter? I met a gentleman from Winnipeg who told me that he had been interested in some such enterprise and he had been put out of business.

Mr. BRADBURY: A firm in Winnipeg composed of men from my own town had a factory in which they invested $15,000. They were buying the cheaper grades of butter and re-working it. I do not know what the process was, but they were not making it out of any other substances than butter made by farmers in the surrounding district. They were put out of business by the late Minister of Agriculture and lost all the money invested. A claim was put in by Mr. D. F. Reid, of Selkirk, who had invested a lot of money, and the late Government promised to compensate him for putting him out of business because when he went into business there was no Act against it. I have always thought that the firm was treated in a very harsh manner, and that the Government of Canada owe these people about $10,000.

Mr. WEBSTER: The re-working of butter is permitted. A merchant goes through selections he has gathered, picks out the colour that suits best, puts it into the worker and makes up two or three tubs of the butter. The Bill does not interfere with that practice, but it does interfere with a man who melts butter and adds fresh milk and acid to give it a peculiar flavour which will last for three or four days. I have considered this Bill very carefully, and believe it cannot be improved upon in the interest of the public.

Mr. NESBITT: The wording of the section, I think, would prohibit that. The butter the hon. member speaks about would be a process butter, re-worked butter.

Mr. WEBSTER: Process butter is homogenized milk.

Mr. NESBITT: I do not agree that re-working butter would not come under this section.

Mr. WEBSTER: You must consider the difference between re-working and re-churning.

Mr. NESBITT: You cannot re-churn butter; that is a farce.

Mr. WEBSTER: My dear man, allow me to inform you that I can take you to a factory in Canada where they have been trying to do that for two years, and in some cases they have succeeded so well that they have sold two hundred pounds of water at the price of butter.

4 p.m.

Mr. MORPHY: Coming from a county largely interested in dairying, I would urge that section 5 be extended to prohibit the sale of such butter. Probably, however, section 6 would sufficiently cover that.

Mr. OLIVER: I would like to have a definite statement as to whether these big dairy establishments in Edmonton are to be allowed to re-work butter in a legitimate way. I would read this section that they are not, but if the minister says it is the intention of the department to administer the law so as to permit the legitimate re-working of butter I would be satisfied with that; otherwise I would certainly have to protest against the section.

Mr. BURRELL: While I do not know the circumstances of the firms to which my hon. friend refers, I do not think there will

be any attempt to stop the legitimate re-working of butter.

Mr. KNOWLES: But might not some private individual set in motion the machinery of the law? The enforcement of the federal law does not always come under federal authority. Things would be in a pretty mess if we would be safe in handing out reckless legislation on the country because we ourselves are so wise and prudent as not to take advantage of it. I think the minister's suggestion does not answer the objection raised by the hon. member for Edmonton (Mr. Oliver).

Mr. BURRELL: I do not think my hon. friend need be alarmed about that. So far as I know, there has never been an attempt by any government to impose the slightest hardship in this regard, but it is very difficult to cover all cases in the dairying business without phraseology seeming to cover something that may be illegitimate. The Act will be interpreted by the officers of the department so as not to interfere with anybody carrying on a reasonably proper business.

Mr. KNOWLES: Might there not be private prosecutions under this Act?

Mr. BURRELL: It has never been done, so far as I know.

Mr. KNOWLES: I do not think that is any answer. There might be private prosecutions, and if there were would it be any reply on the part of the accused to say that the Minister of Agriculture had said in the House of Commons that such and such was not the intention of the Act.

Mr. BURRELL: This Bill has been given the most deep and careful consideration, and is believed to be in the interests of the country as well as the dairying industry. I think its provisions will have to stand as they are. If a man is doing something deliberately illegitimate he would certainly have to take his chances.

Mr. KNOWLES: If the minister continues to take the stand that he has taken up to the present and will not listen to argument, saying that the Bill is wise legislation and will have to stand as it is, I, for one, wish to register my protest against passing legislation in that way. He might as well not bring it to the House at all.

Mr. BURRELL: The practice in this House, of course, has been to refer Bills to committees composed of members of both sides of the House, who thresh out the details and report to the House. I have had a fairly long experience in the House, but I can only remember one instance—and that was a very extraordinary one—where the House did not accept the findings of the committee. I am not saying that the House is necessarily bound to accept their findings, because we know it is not. In this case, a great many members from both sides of the House gave this clause the most careful consideration in the committee and they passed it unanimously. I am only pointing that out to show that it has not been carelessly drawn up.

Mr. KNOWLES: A fair argument, but not final. It does not close the matter.

Mr. HANNA: If the hon. member has any objection to this Bill why does he not state it?

Mr. KNOWLES: That finishes me.

Mr. LEVI THOMSON: I think the hon. member has stated his objection; but I wish to refer to a point on which I think the hon. member for Brockville can put us right. I gather from what the hon. member said a little while ago that butter that has been re-worked would not be known as process or renovated butter. If the hon. member is sure about that there is no difficulty.

Mr. WEBSTER: You have grasped the situation exactly.

Mr. OLIVER: Subsection (a) of clause 3 says that no person shall sell or offer for sale butter that is not in a certain shape, but the last sentence says:

> Nothing in this paragraph shall be held to apply to butter in rolls or lumps, of indiscriminate weight, as sold by farmers.

If the farmers sells to anybody but the consumer, the person who buys from him has in turn to sell again, and it seems to me that the section as drafted can scarcely convey the intent that its framers had. There must be some way of permitting the merchant to sell the rolled butter that he has bought from the farmer without reworking it the shape that the first part of the clause calls for.

Mr. BURRELL: The first part of the clause applies to creameries and other large establishments who make a practice of selling butter in certain shapes, but it is not meant to apply to the ordinary farmer who may go into a store and offer a lot of rolls weighing either half a pound, three-quarters of a pound, or a pound, which are sold by total weight. The clause is designed to give

to the public full weight from all the great butter-making establishments.

Mr. OLIVER: I quite agree with that. But does not my hon. friend see that this clause is mandatory? A merchant who buys butter from a farmer must have it in a certain shape before he can sell it again. It seems to me that that clause should be amended in some way.

Mr. WEBSTER: The clause reads:

Nothing in this paragraph shall be held to apply to butter in rolls or lumps, of indiscriminate weight, as sold by farmers.

Therefore, it is in a merchant's hands to sell any size and any shape of butter.

Mr. OLIVER: My hon. friend did not read the whole sentence.

Mr. WEBSTER: I do not think there is any danger of a merchant buying butter from a farmer without weighing it up.

Mr. NESBITT: I do not know about that. I have had something to do with that business myself.

Mr. WEBSTER: I would risk you.

Mr. NESBITT: I know many merchants who buy round pats of butter supposed to weigh a pound, and they only count them, and the same with pound squares.

I think that many times I have seen the honest yeomanry in possesion of pats and squares of butter, not as flush in weight as they might be.

Mr. BRADBURY: This section says that no person shall sell butter, moulded or cut into prints, blocks, squares or pats, unless they are of the full weight of one-quarter of a pound, one-half pound, one pound, or two pounds, at the time they are moulded or cut. A consumer goes into a store to get a pound of butter, and finding the butter has shrunk in the meantime he takes objection, but the merchant tells him it was of the proper weight when moulded, and there is no recourse for the purchaser. It seems to me that a person who buys a pound of butter should get a pound of butter, whether it has shrunk or not. Again it says that nothing in this section shall apply to rolls or lumps, but it seems to me that butter sold in rolls or lumps should be of a defined weight, and that everything should be sold by the pound. The consumers of Canada are being robbed by legislation of this kind. This section would enable the merchant, or the farmer if you will, to sell butter under weight, and to say it was all right when it was moulded. I think the law should be made plain that if a man buys a one pound print of butter he must get one pound.

Mr. WEBSTER: When a pound package of butter has stood for two or three days, the paper around it will absorb possibly one-quarter of an ounce of the water, and most of the dairymen make allowance for that by putting in an extra ounce or three-quarters of an ounce.

Mr. BRADBURY: Why not say, then, in this act that the butter when sold shall be of the weight it purports to be?

Mr. WEBSTER: If a man ordered one hundred boxes of butter in pound packages in the fall of the year, and stored it for a few months, he would have to go over every package and add one-quarter of an ounce to it to make up for the shrinkage, which would not be fair.

Mr. BRADBURY: What about the consumer who pays for the pound of butter; is he not to be protected?

Mr. WEBSTER: That is unavoidable shrinkage.

Mr. OLIVER: It looks as if the dairymen were strong on the committee that drafted this Bill.

Mr. SEXSMITH: The objection raised by the hon. member for Selkirk (Mr. Bradbury), as pointed out by the hon. member for Brockville (Mr. Webster), is not reasonable. You may ship one thousand pounds of butter, having ample weight when you shipped it, but when you store it the water evaporates and actually you get the same amount of butter, but you get a little less water. It was pointed out before the committee that certain persons in Montreal had been buying butter, rechurning it and remoulding it, and that samples were actually discovered which contained fifteen per cent of water. The object of this clause is to prevent anything like that, and I think it is perfectly clear.

Mr. BRADBURY: That may seem fair to the hon. gentleman (Mr. Sexsmith), but is it fair to the consumers? For example, if one light-weight loaf is found in the establishment of a baker, his whole supply of bread is confiscated.

Mr. WEBSTER: But bread does not get to be three months old.

Mr. BRADBURY: Bread shrinks in weight very rapidly, and the baker has to make allowance for that when he is making up the loaf, and quite properly so in the

interests of the consumer. If the dairyman knows that his butter is going to shrink, why should he not be compelled to put in the extra half ounce in the same way as the baker has to? A great necessity to-day is that we should have some proper law governing weights of commodities which are sold to the consumer. A man buys a pound of tea and he has to pay for the weight of the paper and the lead around the tea, which is absolutely unfair.

Mr. SEXSMITH: Is there anything in the law that regulates the percentage of moisture in bread?

Mr. OLIVER: Every one knows that bread shrinks in weight.

Mr. SEXSMITH: Yes, but there is nothing in the law to say that there shall only be a certain percentage of moisture in it, and the law provides for the percentage of moisture in the case of butter.

Mr. LEVI THOMSON: Bread and butter go together, but they are not parallel examples in this case. A baker can tell fairly well how long the bread will be on his hands, and what percentage to allow for shrinkage, but the butter-maker does not know whether the butter will be consumed in three months, or twelve months, or the day after it is made. I agree with the member for Brockville that it would be almost impossible to lay down a rule as to the allowance that should be made for shrinkage in butter. The last part of this clause reads:

> Nothing in this paragraph shall be held to apply to butter in rolls or lumps, of indiscriminate weight, as sold by farmers.

I think that provision is all right, and it would be very difficult to get over the necessity for it. Many farmers make their butter up in lumps of indiscriminate weight, and if we do not prevent that practice altogether we will have to leave this section as it is. I do not think we have yet reached a stage at which it would be wise to prevent farmers making their butter up in rolls or lumps.

Mr. WEBSTER: To illustrate, I might say that last June a gentleman in the West ordered from me 1,000 boxes of fancy June butter which was put up for him and placed in one of the best storage houses in Montreal. On the 1st of September one carload was shipped to him, and it held its weight pretty well, but when the second lot was shipped to him in January some of the blocks were half an ounce light. How are you going to prevent that? The merchant bought at June prices, put the butter in storage at his own risk, and I would like any hon. gentleman to tell me how the natural shrinkage could be prevented.

Mr. SEXSMITH: The percentage of water was reduced in it?

Mr. WEBSTER: Yes.

Mr. OLIVER: It seems clear that the hon. member for Selkirk (Mr. Bradbury) and myself will have to form ourselves into a consumers' union, with regard to this matter; the dairymen seem to have control of the situation.

Mr. WEBSTER: Well, we get our bread from you.

Mr. OLIVER: If the contention of the hon. member for Qu'Appelle (Mr. Thomson) is right, with reference to the sale of butter in rolls and lumps, then the consumer has no protection at all, because, if a dealer has light-weight butter in his store, all he has to do is to say that he got it from a farmer, and he is free from any penalty. Again the unfortunate consumer gets the worst of the bargain.

Mr. LEVI THOMSON: I think the hon. member for Edmonton misunderstands the position. This is where there is no pretence of a discriminate weight. The farmers often bring to the country stores butter of indiscriminate weight. The farmer's wife, or whoever makes up the butter, makes it up into a lump of five pounds three ounces or five pounds five ounces or some other odd weight. The merchant pays the farmer for the weight of butter in the roll or lump; the farmer does not pretend to give any particular weight. It is in a different position from the other, in which there is a pretence of a certain weight, the butter being apparently in quarter-pound or half-pound or one pound prints. The butter referred to in this paragraph is not of any specified weight at all, and is weighed just as a load of wheat or a quantity of nails is weighed. As I understand it, the Bill does not pretend to guard people in such a case; it only attempts to guard where one has the right to assume that a certain article is of a certain weight. It requires that an article which pretends to be of a certain weight shall be of the weight which it pretends to be.

Mr. WEBSTER: In many cases where a merchant purchases a roll or a lump of butter, he does not sell it en bloc; he cuts it up to suit his customers, giving one customer two pounds, another one pound, and so on. When he purchases it, he weighs it and pays the farmer for the weight that he gets.

Mr. SEXSMITH: Supposing a creamery man puts up a thousand pounds of butter in prints with fifteen per cent of water, as he is compelled to keep within the percentage of water designated in this Bill, namely sixteen per cent. He sells that butter; it is placed in cold storage for perhaps six months, and the retail merchants sell it again. The butter was in legitimate prints when it was put into cold storage; but, according to the statements of some hon. members, when the retailer sells these prints, if the prints are under weight, say by half an ounce, the retailer should be liable. I think that is entirely wrong, because if we analysed that butter we would find a less percentage of water in it. If the retailer were to be held liable, butter could not be stored at all.

Mr. MORPHY: I think, after a careful consideration of this section, that the hon. member for Edmonton (Mr. Oliver) will be found to be right in his contention, at least to have a strong ground for it. The section is just a little hard to construe.

Mr. OLIVER: I appreciate the difficulty of it.

Mr. MORPHY: The hon. member's point appeals to me. It is unfortunate that the following words are inserted:

Nothing in this paragraph shall be held to apply to butter in rolls or lumps of indiscriminate weight, as sold by farmers.

I think the section is sufficient without these words to apply to persons selling butter in pats, prints, blocks, or squares. The section could be read in this way with the same meaning:

Nothing in this paragraph shall be held to apply to butter in roll or lumps of indiscriminate weight, as bought from farmers.

Mr. OLIVER: I think that would be better.

Mr. MORPHY: Under that wording of the section, if a man bought fifty or a hundred pounds of butter from a farmer, and put it into rolls or prints, he could say: I do not have to have the weight, because I bought it from a farmer.

[Mr. L. Thomson.]

Mr. DEVLIN: What about butter in tubs?

Mr. MORPHY: The same thing would apply.

Mr. DEVLIN: Why put in the words 'rolls and lumps'? Why not have it read in this way:

Nothing in this paragraph shall be held to apply to butter of indiscriminate weight, as sold by farmers.

Mr. WEBSTER: After the careful consideration given by the committee to this Bill when last before them, I think it will be found to be very difficult to improve upon it. The hon. member for Qu'Appelle (Mr. Thomson) has grasped the situation as a practical man. One who has not had everyday practical experience has very little knowledge of the quantity of water sold illegally to the people of this country. I myself have bought what was called packed solid butter from a creamery and have weighed it the same night; I have set it out in a low temperature of say twenty degrees below zero, and the next day that same quantity of butter had shrunk three pounds per box. In some cases you will see the cloths in which the farmers have brought butter to market so wet that they will wet the paper and the basket through. That is owing to the temperature at which the butter has been worked, the butter having absorbed so much water. When the temperature is reduced the butter becomes solid and the water comes out. The hon. member for East Peterborough (Mr. Sexsmith) says he has given the question careful consideration; I have talked it over with the butter manufacturers, both wholesale and retail, in the country, and they tell me that this Bill covers the ground as well as it can possibly be done.

Mr. SEXSMITH: The reason of these words:

Nothing in this paragraph shall be held to apply to butter in rolls or lumps of indiscriminate weight, as sold by farmers.

—is because butter sold in this way is weighed by the customers; but butter put up in prints by a creamery or by a farmer in the little patent arrangement used for making a print is not weighed by the merchant when bought by a customer, if put up in a standard quarter-pound or half-pound or pound print. The object of this Bill is to protect the public from light weight in butter put up in this way. A grocer assumes that a pound of butter bought

from a creamery is a pound of butter. If the public is protected to the extent that the creamery must put up the butter in that shape with a certain percentage of water, and that when it is put up it must not have less than that weight, I think that is ample protection.

Mr. DEVLIN: I would like to ask the minister for information as to what a lump of butter really is. Supposing a man is charged with having sold butter underweight, he says: I bought this from a farmer as a lump of butter. What is a lump of butter? Every square block of butter is a lump of butter.

Mr. BURRELL: Not in the trade.

Mr. DEVLIN: There is nothing in the Bill to define a lump of butter.

Mr. LEVI THOMSON: The hon. member for Wright (Mr. Devlin) is hardly clear on that. The Bill says:

> Nothing in this paragraph shall be held to apply to butter in rolls or lumps of indiscriminate weight.

My hon. friend raised an objection before in regard to butter in tubs. I do not think that this would apply to butter in tubs. When a farmer puts up a tub of butter it seems to me he does not require to make it a specific weight. I think tubs should also be allowed to be sold by weight.

Mr. WEBSTER: That is what is done.

Mr. BURRELL: The clause covers everything. It it were not in lump or roll, it would have to be in blocks or moulds. If it were in a crock, I should think it would be the same.

Mr. THOMSON: If the minister did not put in that last clause, his argument would be good. But when he states his exceptions, those exceptions would make quite a difference in the decision of the court. He evidently intends to define the sort of butter that shall not be covered by the main part of the section. It would be better to leave it out entirely or put in something that will cover it definitely.

Mr. DEVLIN: Would not a 'lump' of butter be covered by the expression 'pail of butter'?

Mr. THOMSON: No, I do not think it would.

Mr. DEVLIN: Suppose you took the butter out of the pail, what would you call it?

Mr. THOMSON: Butter is often sold in a pail or firkin.

Mr. DEVLIN: But suppose you were before a court of justice, charged with violation of this section, and you could show that you took the butter out of a pail, it would be a 'lump' of butter, would it not?

Mr. OLIVER: I agree with the suggestion of my hon. friend from North Perth (Mr. Morphy), and I think my criticism of the section would be met if his suggestion were adopted. As it is, it makes the merchant who buys from the farmer subject to the final responsibility of sale to the consumer. The section should be made to read:

> Nothing in this paragraph shall be held to apply to butter in rolls or lumps of indiscriminate weight, as bought from the farmer.

This would protect dealers and would not interfere with the intent of the section.

Mr. BRADBURY: It would protect the dealer, but it would not protect the consumer. My hon. friend from Qu'Appelle (Mr. Thomson) was making an argument with regard to the tub of butter. If one buys a pound of butter out of a tub, it is weighed, and he gets sixteen ounces if the scale is right. But a print of butter, though sold as a pound print, may contain only fourteen or fifteen ounces. Why should not the consumer be protected? Why should the merchant be allowed to sell what purports to be a pound of butter or of anything else when he really gives only fourteen or fifteen ounces?

Mr. MORPHY: I think that if the section were to read as follows, we should get over the difficulty:

> Nothing in this paragraph shall be held to apply to butter in rolls, blocks, tubs or other receptacles as bought from farmers.

Mr. DEVLIN: Does not the farmer sell butter in lumps?

Mr. MORPHY: That would not be a happy expression as applied to my district. It has a meaning of its own.

Mr. OLIVER: I think I would leave in the words 'of indiscriminate weight.'

Mr. MORPHY: Yes, and widen the clause so as to make it read 'bought from farmers,' instead of 'sold by farmers.'

Mr. BURRELL: I do not see any particular objection to that; but I do not think it would make much difference.

Mr. NESBITT: The hon. member is only enlarging it; I think the clause is all right.

Mr. BURRELL: If hon. members insist on pressing the point, I cannot see objection to the change. But really, I think the Bill covers the point and will work out all right. We threshed out these points in the preparation of the Bill.

Mr. SEXSMITH: I think that the clause is plain. We do not have to protect the public if they buy from the crock or lump, for in that case the butter is weighed, but only in the case of prints which the dealer is not supposed to weigh.

Section agreed to.

On section 10—penalties:

Mr. OLIVER: I want to put in one final word on behalf of the farmer who is liable to be fined not less than $10 if he does not include the strippings with the rest of the milk. It seems to me that a maximum fine of $10 is rather extreme under the circumstances.

Mr. BURRELL: My hon. friend may be assured that there would not be the slightest likelihood of a man being condemned under this unless for a very gross and deliberate violation.

Mr. OLIVER: If my hon. friend will harden his heart in that way, I do not know that I can do any more.

Mr. THOMSON: I think the minister should come down off his high horse in this matter, for he is entirely wrong. The department does not administer the law nor decide what it is. Any country magistrate has far more power in administering it than the minister has, and it should be in such shape as to be enforced.

Mr. KNOWLES: The minister will not be there to tell the magistrate what is what.

Section agreed to.

On section 16—publication of regulations:

Mr. MORPHY: I believe that not one Canadian farmer in ten thousand ever sees the Canada Gazette. I have had under my own observation a case in which great expense was incurred by the withdrawal of one section from the statute regarding tuberculosis by Order in Council published only in the Canada Gazette. I readily appreciate the difficulty which is incurred in giving public notice of such changes to every individual in this country, but I do think that notice of the coming into force or the withdrawal by Order in Council of any section of the statutes should be given in some wider and more public way. Surely with all the printing we do; with all the millions that are spent every year on blue books, many of which are never read by those who receive them, some means can be devised whereby notices of changes in the law can be given to the public. Notice of any change could be inserted in the small local daily paper for, perhaps, fifty cents. The amount would run in the aggregate to a considerable sum of money, but I think the expenditure would be justified. I would ask the minister to give this matter his consideration.

Mr. BURRELL: So far as the legal aspect of the matter is concerned, my hon. friend, being a lawyer, appreciates the difficulty of having for this purpose anything but an official gazette. I may say that any regulations that are put in force by the department are published in pamphlet form, and as we have a mailing list of about 180,000 persons and firms interested in dairying and farming, the regulations are made more or less generally known.

Mr. MORPHY: I do not think that the departmental literature to which my hon. friend refers goes into every home in this country. Nothing would as efficiently give public notice of changes in the law as items in the local newspapers published in the various municipalities.

Mr. OLIVER: Modesty prevents me from urging too strongly the suggestion of my hon. friend, but I must say that it certainly appeals to me as being an adequate means of reaching the public.

Mr. BURRELL: The department will be very glad, of course, to do that.

Mr. DOUGLAS: Will the minister include in his list all organized societies of farmers? I am sure that if copies of these regulations are sent to the United Farmers of the province of Alberta they will be well distributed amongst their members.

Mr. BURRELL: We do send through our department to the press all over the country from time to time copies of any new regulations and matters of that kind, in order that they may be given wide publicity. I quite agree with hon. gentlemen as to the desirability of publicity.

Mr. DEVLIN: I would ask the minister to remember that a good many people in

this country do not read the Grit newspapers; he should make sure, therefore, that these notices are sent to the Conservative organs. In case he should overlook the matter, I would suggest that he should send a few of them to the Grit newspapers as well.

Mr. BURRELL: We are very impartial.

Mr. MARCIL: I was glancing through a list of newspapers submitted by the Secretary of State the other day. I am an old newspaper man, and I am sure that not ten members in this House ever see some of the newspapers mentioned in that list, many of which are published solely for the purpose of getting Government advertising. I would advise the minister to have that list looked over by some newspaper men and reduced by about 25 per cent.

Mr. BURRELL: I may add that these changes and regulations are published in the Agricultural Gazette, which is sent to every paper in Canada, regardless of politics.

Section agreed to.

On section 18—proof in deteriorated milk prosecutions:

Mr. OLIVER: This section provides that the owner of the milk may be prosecuted without a definite statement as to the defect in the milk supplied. That seems very unfair as he might expect to be attacked on one point and in court find that he was being attacked on another point.

Mr. WEBSTER: The charge is generally either skimming the milk or adulterating it with water. When the farmer comes up he is charged with one of these offences and it is up to him to defend himself. As a matter of fact, when a charge is made conviction generally follows.

Section agreed to.

On section 19—evidence:

Mr. MORPHY: Is there anything in the meaning given to pure milk represented by a standard or percentage of butter fat? I have seen many prosecutions against men who I think were honest. They would be sending in milk to a factory from a cow that would give a percentage of butter fat of perhaps only two per cent. Thus their dealings were honest but suspicious. I wondered if the standard was fixed under the Act.

Mr. BURRELL: That point was not raised in the committee.

Mr. NESBITT: What is the standard?

Mr. BURRELL: A standard is fixed in the Inland Revenue Department for another purpose.

Mr. DEVLIN: Would it not be wise to define pure milk in the interpretation clause?

Mr. WEBSTER: The percentage of butter fat of course varies with the season of the year. The percentage is not nearly so high in April as in September and that would cause difficulty with a rigid standard. Then too some breeds of cows give a small quantity of milk with a high percentage of butter fat and others give a large quantity of milk with a small percentage of butter fat. Either one of these would be a quality of pure milk.

Mr. DEVLIN: What would be classed as 'inferior to pure milk?'

Mr. OLIVER: The difficulty is to define what is pure milk. The hon. member for Brockville says that pure milk in the fall is of a higher standard than in the spring and therefore a man might be convicted of an offence who was supplying pure milk of a standard up to the spring standard but less than the fall standard.

Mr. BURRELL: He would be judged by a comparison of the milk supplied with milk taken from a cow at the particular time of the year.

Mr. OLIVER: Looking at the matter from the standpoint of the liberty of the subject, it seems that with a sliding scale like that the producer of milk does not stand much chance.

Mr. DEVLIN: Would the milk from the Jersey and Holstein be qualified as inferior under this section?

Mr. BURRELL: Not at all. The criterion of whether it was pure milk or not would be a comparison with the milk as it comes from the cow.

Mr. SEXSMITH: The difficulty in defining pure milk in Ontario has been that a lot of milk is collected on the pooling system. Some factories buy by the Babcock test. Some cows of one breed might produce milk with not more than two and one-half per cent of butter fat and others might run up to five or six per cent. If you set a certain standard it will make it very difficult to continue that system.

5 p.m.

Mr. L. THOMSON: As I understand it, the penalty would not be inflicted unless a person had mixed something with milk.

Mr. BURRELL: Or skimmed it.

Mr. L. THOMSON: How is the test applied? I do not pretend to be an expert, and I would like to know how you can tell whether anything has been mixed with the milk or not. For instance, take the milk of a cow that tests at 3½, and suppose sufficient water was put in to make it test at only 3, is it possible to tell that it is not pure milk?

Mr. WEBSTER: Absolutely.

Section agreed to.

Mr. OLIVER: It would seem from the last few sentences of this Act that the only way for a man to preserve his liberty is to sell his cows.

Mr. NESBITT: I would like to ask the minister, or the Chairman of the Agricultural Committee, why, in the interpretation clause, a dairy is described as a place where the milk or cream of less than fifty cows is manufactured into butter. Why do they not call a dairyman a man who manufactures into butter the milk of his own cows only, and the place where he manufactures it a dairy? Why should a man with seventy or a hundred cows not be allowed to call his place a dairy, providing he does not take in outside milk? With us there a great many men with more than fifty cows, but their establishments are dairies, not creameries, as they manufacture no milk but what their own cows produce. My idea of a creamery is where they manufacture milk outside of their own production. I would like to know why the definition of a dairy stiplates for less than fifty cows, and why it was not on the basis I have suggested.

Mr. BURRELL: It is rather arbitrary, but it is difficult to define the difference between a dairy and a creamery, You have to draw the line somewhere. New Zealand has placed it exactly at fifty, I understand. I do not think there is any great object in having the definition altered.

Mr. NESBITT: I am not asking for that. Our farmers call their places dairies so long as they manufacture the milk from their own cows only; and call places that take in outside milk creameries. My hon. friend from Brockville is an experienced man, and I will ask him why a man should not be allowed to call his place a dairy so long as he manufactures his own milk only?

Mr. SEXSMITH: I think that if a farmer had the requisite number of cows to bring his place under the heading of a creamery, he would be very glad to do it. He would prefer to have it called a creamery because, as you will have noticed in the papers, creamery butter is dearer than dairy butter. In the committee, I took the ground that it was unfair to the farmer that we should designate a certain class of butter, dairy butter; and another class, creamery butter; so we decided on the fifty cows. There are a great many people making butter with less than fifty cows, whose product is as good as or better than the creamery product. We could not come to any other solution of the difficulty of distinguishing the two.

Mr. NESBITT: Would you mind my saying that with our farmers the old policy of putting 'creamery' on their wrappers is rapidly passing away, if it has not already passed. The idea in the public mind is that a creamery is more of a wholesale factory, taking in milk from various people. The word 'dairy' with us carries more weight than the word 'creamery' for the simple reason that if a man running his own dairy has cleanly habits his butter is likely to be more valuable than creamery butter made from milk from different farms, which may not be cleanly.

Mr. WEBSTER: I was present when this Bill was before the committee, and we discussed each of the clauses thoroughly. On the majority of farms in Ontario you will find less than fifty cows to a dairy, and for that reason we thought it right and just to say fifty in the Bill. A man with only fifty cows is very often not able to work up the milk on his own farm and has to send it to a creamery. There is a good deal of difference between creamery and dairy butter. One is the product of separated milk, and the other is not. My hon. friend would intimate that dairy butter is superior to creamery. From my own personal experience I can say that during what little time the Lord will allow me to live I want to eat creamery butter.

Mr. NESBITT: With us, any farmer with six or ten cows uses a separator.

Mr. WEBSTER: Not necessarily.

Mr. NESBITT: They are not forced to, but as a matter of practice they do. I do

not know of anybody with more than six cows who does not use a separator in his dairy.

Mr. WEBSTER: I know some farmers following the deep water setting system.

Mr. NESBITT: I am glad to say that is not the case with us; we have advanced in the art. I know, as my hon. friend says, that the great majority of farmers have less than fifty cows There are a great many who want to call their butter 'dairy butter.'

Mr. WEBSTER: With us, they all want to call it 'creamery butter.'

Mr. SEXSMITH: The manufacture of butter in the old way is gradually diminishing. In my district a farmer who has only three or four cows uses a separator. I am surprised at the hon. member for Oxford (Mr. Nesbitt) saying they want to call it dairy butter, because all over the Dominion the creamery butter is selling at a higher price.

Mr. NESBITT: There are dairymen in my riding who sell their butter at a higher price than any creamery butter will fetch. They sell it all the year around and they call it dairy butter, and any one who visits their dairies and sees how they conduct their business would pay more for their butter than for any creamery butter made from the milk of cows from the public.

Bill reported, read the third time and passed.

SECOND READINGS OF BILLS.

Bill No. 146, to amend the Civil Service Act.—Mr. Pelletier.

Bill No. 147, to amend the Post Office Act.—Mr. Pelletier.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Agriculture—health of animals, $500,000.

Mr. OLIVER: What proportion of this vote would be for service, and what proportion for compensation for animals slaughtered?

Hon. MARTIN BURRELL (Minister of Agriculture): The heaviest expense is for the inspectors, of whom we have about 131, counting the riders in the mange district and including their assistants.

Mr. KNOWLES: Is the mange decreasing?

Mr. BURRELL: There are some areas that have been relieved in Alberta, and we have wiped out the whole of the mange district in British Columbia. In the mange districts we have certain herds which are quarantined and under special inspection. From the whole of the mange area animals are not allowed to be moved outside of the area unless they are dipped, but those not quarantined can be moved within the area. The only execeptions are animals consigned for slaughter to the abattoirs, in which case some are inspected at Winnipeg and some go straight to the abattoirs on the Pacific coast, or to places in the mountain districts where there are no agricultural areas. The outlook is more hopeful.

Mr. KNOWLES: Does dipping mean two immersions?

Mr. BURRELL: Yes.

Mr. OLIVER: What is the situation in regard to hog cholera ?

Mr. BURRELL: We have this year paid out more for hog cholera than we did last year. I will give my hon. friend the comparative figures. In 1911-12 we paid out $23,446; in 1912-13, $52,785, and in 1913-14, for ten months, $46,860. There has been some increase in that, noticeably in parts of Saskatchewan and Ontario, but on the whole nothing like what we had to contend with during the first year or two after the Act came into force. Although it is costing a good deal, I do not think we can adopt any other method than the one we are following now. In the United States they have an entirely different system, whereby they immunize the hogs from cholera. It has been found, however, that a particular hog may be immunized and still be a carrier of the disease. Their system costs them millions of dollars as compared with our thousands. We passed a regulation prohibiting the introduction of virus for this particular form of inoculation. We think the best system we can adopt is the system we are carrying out at the present time.

There is no doubt that many cases of hog cholera have been spread from points where uncooked garbage containing infected meat has been brought in from the other side, or even from hogs on this side. In regard to that, not only are we urging better sanitary precautions on the part of the local municipalities who should ob-

serve them, but we have passed an Order in Council stating positively that the Government will not undertake to pay compensation to people who deliberately feed uncooked garbage to their hogs. I think that is in the public interest.

Mr. OLIVER: Under what circumstances have the outbreaks of hog cholera taken place recently? Have most of them been owing to garbage-fed hogs, or have they occurred outside of such conditions?

Mr. BURRELL: I think most of the cases have occurred as my hon. friend has stated. We think we have been able to trace them to garbage-fed hogs. In some cases the disease has been brought in from the other side, although our regulations are pretty strict. This year we contemplate putting two or three special men to do educational work in regard to cleaning up garbage and seeing that it is properly cooked, especially wherever hog cholera has already been prevalent, so as to drive into the public mind the great importance of feeding properly cooked garbage.

Mr. NESBITT: There was hog cholera last year amongst my hogs, although they never saw garbage of any kind. They were all fed on good, clean, second-grade flour, and shorts and oil cakes. They ran in pens that were what we call gravel-loam soil, and the inside pen was just as clean as this chamber. Every condition that was possible to surround them with was perfect, even with regard to running water. I think the Lord sent the cholera. I do not know where they got it.

Mr. OLIVER: As my hon. friend the minister knows, I am asking for definite information for very definite reasons. How far can the department go in the matter of preventing this disease, having regard to the conditions surrounding the keeping and feeding of hogs?

Mr. BURRELL: I would not like to answer that question offhand, because it is in the nature of a legal question. I suppose we can go pretty far, but I imagine there will be still ample power in the municipal and provincial authorities to deal with some phases of the matter. I do not know how far we can interfere locally with sanitary questions such as my hon. friend has mentioned. We could plainly say that if they do not live up to certain conditions, we shall refuse to pay any compensation in that district. I would not, however, like to express any opinion offhand.

[Mr. Burrell.]

Mr. OLIVER: What is the action that the department is permitted to take and, as a matter of fact, does take, as regards the measure of responsibility assumed by the Government under the law as it stands at present, in case of an outbreak of cholera?

Mr. BURRELL: Directly we are informed of an outbreak or discover it in any place, we send an inspector there. The place is immediately quarantined and the hogs are slaughtered. In some cases, where there is a holding of a large number of hogs and where there has been very slight contact, it may possibly be necessary to slaughter all the hogs; but we are coming very fast to the conclusion that it is dangerous to exempt any, and that it is better to slaughter all the hogs that have come in contact with hogs infected with the disease. I think we ought, before another session, to consider the raising of the valuation of hogs, because they have increased very much in price during the last two years. Last year we took up the increased valuation of horses, and I am not sure that we should not go into the question with regard to hogs. Some people will argue that you should not pay compensation for any of these things, because it is in the owner's interest and in the public interest to stamp out these diseases; but if you do not compensate, you will have people concealing these diseases, and you will never be able to stamp them out.

Mr. KNOWLES: Where a man owns an animal and another man has a lien note or a chattel mortgage on it and the animal is killed, to whom does the Government pay the money?

Mr. BURRELL: My hon. friend is better able to answer that question than I am, because he is a lawyer. I think the owner of the animal would get the money.

Mr. KNOWLES: I have seen the point come up, and it is very embarrassing.

Mr. BURRELL: I am afraid I cannot speak offhand in regard to it.

Mr. KNOWLES: I would like an answer in regard to it, because I understand that the ruling of the department is that they will not give anything to the lien holder. That works an injustice, because if a man of straw owns a pig and another man has a lien on it, the luckiest thing the owner can do is to give the pig hog cholera.

Mr. BURRELL: I will make a note of the matter.

Mr. OLIVER: There has been a substantial increase in the valuation of hogs in recent years, so that the valuation that was perfectly good a few years ago is not so now. Therefore I think there should be a measurable increase in the valuation.

Mr. BURRELL: I agree with my hon. friend. We shall have to deal with that matter before long.

Mr. MARCIL: Has the minister local inspectors in the district of Quebec, or are they all grouped in the city of Quebec.?

Mr. BURRELL: We do not have such things as local inspectors. Our inspectors are liable to be transferred to any point throughout the country. Some of them, of course, have a very wide range of territory. When they enter the service, they do so on the distinct understanding that they are liable to be transferred from one point to another. The late Government found and we have found it a bad thing to keep one man in a locality for a long time, because he gets to know a large number of people and is swayed by personal interest, and it is just as well that he be transferred from place to place.

Mr. MARCIL: How many inspectors are there for the province of Quebec?

Mr. BURRELL: I have forgotten. The chief inspector is Dr. Couture, at Quebec.

Mr. MARCIL: In the case of a district many miles removed from the residence of an inspector, when an inspector is sent for sometimes he comes, and sometimes he does not. I think a certain route should be marked out and periodical visits made.

Mr. BURRELL: We do not undertake to do the local work. We do the work at boundary points. We do not undertake to have local inspectors at all points throughout the country, but we try to cover the ground we are supposed to occupy.

Mr. MARCIL: How about a case where an animal is diseased?

Mr. BURRELL: That is a private business, and the owner calls in a local veterinarian.

Mr. MARCIL: But how about the case of a contagious disease?

Mr. BURRELL. Of course, if it is one of the diseases scheduled by the Act, that is different. But there are very few such diseases—hog cholera, glanders and dourine are the only ones at present.

Mr. MARCIL: Is there any glanders in Quebec?

Mr. BURRELL: Very slight. Our greatest trouble is in Saskatchewan.

Mr. NESBITT: Is the minister not yet able to enlarge his field to cover tuberculosis in cattle?

Mr. BURRELL: We have that under consideration, and in fact, the increase in the Estimate for this year was partly made in order that, if we decided to take a step in that direction, we could do so. I am sorry I am not in a position to make a definite statement on the subject. I hope to be able to make a start in the matter, though, as the hon. gentleman knows it is a very difficult question, and the more it is looked into the more difficult it becomes.

Mr. WILLIAM CHISHOLM: Does the minister intend to take steps to eradicate the weed which, as he knows, produces what is known as 'cattle disease'? The minister reached the conclusion that it was not a contagious disease, and therefore no compensation was allowed for losses. But as the Government has undertaken to act in co-operation with the local governments, I think it should take steps to prevent the spread of the disease, and to that end to destroy this weed which, by causing this disease, has led to the loss of hundreds of thousands of dollars in the eastern part of the province of Nova Scotia.

Mr. BURRELL: We reached the definite conclusion that the disease was due to the weed in question and that it is not contagious. So far as cleaning up the area infested by that weed is concerned, that is a matter for the local authorities. Anything that we can do to co-operate with them, of course, we shall be glad to do.

Mr. CHISHOLM: But the minister has not decided to act in co-operation with the local government to eradicate the cause of the disease!

Mr. BURRELL: I cannot say that we have entered into any arrangement with a local government as to the eradication of weeds in their district. I cannot tell at this moment what may have taken place lately as between the local authorities and the officials of the department.

Mr. MACDONALD: I lately received a letter from a clergyman in the eastern part

of my county, which adjoins that of my hon. friend. This clergyman sent me statistics that were absolutely astonishing as to the losses going on through this disease. It is extending eastward and in some cases to the Island of Cape Breton. It seems to me that some investigation ought to be made with the view to ascertaining whether some cure could not be effected. A careful diagnosis of the symptoms might lead to such a result. Apparently, when a veterinary is called in to attend a sick animal, if he diagnoses it as a case of 'cattle disease' that is the end of it—he seems to regard it as a hopeless case. It seems to me that the finding of a remedy is a subject to which the department might well direct its energies. Of course, in Nova Scotia, the eradication of weeds and matters of that kind have been for a long time vested in the municipalities, and many local efforts have been made for the eradication of this weed. Notwithstanding these efforts, however, the disease still pursues its destroying course. Now, the question of following up the good work that has been done in ascertaining the cause, by ascertaining also the cure, seems to me one that might well deserve the minister's attention. I would ask him if he would consider having an investigation as to whether some remedy could be found. By some combination with municipal authorities or the provincial government, and, as I understand it, the minister's department works cordially with Professor Cummings the head of the Nova Scotia department—the minister might try to assist in stopping what has become a terrible plague among the farmers of eastern Nova Scotia.

Mr. BURRELL: I can only repeat that the disease is directly traceable to the weed referred to, and the question involved is simply one of the eradication of that weed. What the hon. gentleman says concerning Nova Scotia is true also of Ontario—the control of weeds is a matter for the municipality. It would seem a local question. However, I will look into it.

Mr. MACDONALD: But the practical difficulty is this: The farmers interested have taken great care to prevent the growth of the weed. But where there is a vacant farm, or one that nobody is looking after, that becomes a plague spot that will spoil the whole community. Should not the minister, through his officials, attempt to find some cure for the disease. When the symptoms are known, why should there not be some attempt to check or control the disease? But, as I have said, that is not done—when the veterinary diagnoses it as 'cattle disease,' that is the end of it.

Mr. BURRELL: If an antidote can be found we shall be very glad of it.

Mr. WARNOCK: This weed exists in New South Wales.

Mr. BURRELL: And in Africa too.

Mr. WARNOCK—The Chief Inspector in New South Wales has been experimenting for a number of years, and I think it was found that there was no remedy except to eradicate the weed.

Mr. BURRELL: That is my information.

Mr. WARNOCK: And that can only be done by grazing sheep on the land.

Mr. WILLIAM CHISHOLM: But I believe it has been found that sheep also may be affected by the weed under certain conditions—if they are allowed to run at large in the fall of the year. They nibble this weed—rag-weed, it is called—and a number of them have been lost. Of course, they are not affected to the same extent as cattle or horses.

Mr. WARNOCK: May I ask the minister if there is any chance of getting a modification of shipping regulations respecting cattle from points in Alberta to British Columbia?

Mr. BURRELL: I do not know. Does the hon. gentleman think they are too onerous?

Mr. WARNOCK—Yes. It has been so represented to me, and I think the minister has had the same representations from local shippers.

Mr. BURRELL: I think the department has been exercising a good deal of moderation. It is hard to go further in modifying restrictions. The hon. gentleman knows some of the difficulties. We had mange imported into British Columbia in shipments from Alberta, and great expense was involved in exterminating it. The shippers turned the animals out in various districts to graze. At the present time, as the hon. member knows, those that go for immediate slaughter get the inspection before they are started, and in the Crowsnest, they are followed up a little more carefully, as there are no abattoirs, but are delivered to butchers. We made that concession.

In fact, we made that concession at Crowsnest Pass primarily for the benefit of

southern Alberta, and in view of the conditions I do not think that we should assent to any relaxing of restrictions.

Mr. WARNOCK: The point is that these cattle have to be dipped immediately before they are shipped. This is a great hardship, because the butcher does not want cattle that have been knocked about and bruised by dipping almost immediately before they are slaughtered. One of the large companies that violated the mange regulation is greatly benefited by the regulations now in force. They are permitted to ship their cattle to Vancouver and other points on the coast for slaughter, while the small man who ships to Nelson, Fernie, or other points in the Crowsnest Pass must dip his cattle once before shipment. The consequence is that, because of the dipping regulation, the butchers along the Crowsnest Pass would rather buy from the large packers in Calgary or Edmonton than buy live cattle in southern Alberta.

Mr. BURRELL: I will look into the matter and see what can be done.

Mr. OLIVER: I understand that if a portion of a herd of hogs is found diseased, the whole herd is destroyed. Is compensation paid for those that are slaughtered, but are not found to be diseased?

Mr. BURRELL: Yes, compensation is paid for all.

Mr. OLIVER: Is it permitted to dispose of the carcases of those animals which are slaughtered but not found to be diseased?

Mr. BURRELL: Under the regulations, the whole herd may be killed and no use permitted of any of the animals destroyed. In some cases in the past animals which have been in contact with the diseased herd, but which have not shown symptoms of the disease, have been used for food. But the difficulty is that while no lesions might be apparent, on account of the disease being in its early stages, the virus might nevertheless be there, and if the meat were left around uncooked it could actually transfer hog cholera to another district. On account of this danger the regulations provide for our dealing with the matter in a most drastic way, and paying compensation accordingly.

Mr. OLIVER: Has compensation been paid in the case of the outbreak of hog cholera at Edmonton ?

Mr. BURRELL: I think so.

Mr. OLIVER: There was a question as to whether the garbage was cooked or not; some think it was not cooked.

Mr. BURRELL: Before the Order in Council to which I have referred was passed, the people were informed that if they did this unknowingly or unwittingly they would be compensated, but if a man, after being warned, deliberately fed uncooked garbage to the animals with the result that hog cholera was contracted, he would not be entitled to compensation. Although some discretion has been used in the enforcement of the Order in Council, I think we shall have to educate the public to understand that if they feed uncooked garbage to the animals and hog cholera results, they will not be entitled to compensation.

Mr. MARCIL: Has the minister been made aware of the development of the horse meat industry in the county of Chambly ?

Mr. BURRELL: The matter has come to the attention of the department. This horse flesh is being supplied, I believe, to the city of Montreal. We were asked to appoint an inspector to see that the meat was not diseased, but we did not feel that it came under our department. I must say that we have taken no steps to encourage that particular industry.

Mr. DEVLIN: Does it not come under the Department of Agriculture ?

Mr. BURRELL: No.

Mr. DEVLIN: What about the inspection of the meat ?

Mr. BURRELL: We inspect only those shipments which are concerned with interprovincial trade. I understand that this industry is confined to the province of Quebec, Montreal being the only city in which horse flesh is being eaten at the present time.

Mr. MARCIL: The newspapers have announced that a large portion of this product is sent to Sweden. Would not shipments in that case come under the control of the minister?

Mr. BURRELL: I have not the Act before me, but I think that its provisions would not permit us to deal with horse flesh.

Mr. MARCIL: For export?

Mr. BURRELL: I do not think the Act covers the inspection of horse meat.

Mr. MARCIL: As this is a rather important question for the city of Montreal, perhaps the minister would look into it.

Mr. BURRELL: I will give it careful consideration.

Mr. WARNOCK: Has the minister any information with regard to a serious outbreak of dourine at Raymond, Alberta?

Mr. BURRELL: We are paying a very heavy compensation there, and hope to get the situation under hand before very long. As my hon. friend may know, through the excellent work of Dr. Watson at Lethbridge we have adopted the complement fixation test which enables us to detect almost without any doubt the existence of dourine. We have tested several hundreds of these horses and the chances are that before we are through it will cost us $40,000, or more but we hope to wipe out the disease.

Mr. WARNOCK: I understand that some of these animals were recently imported.

Mr. BURRELL: I think so; I know that some of them were pure bred. The area is a comparatively restricted one. We are not having half as much trouble as they have in the United States, where it is costing a great deal more, and I think by going after it in this drastic way we shall be able to control it.

Mr. WARNOCK: The United States authorities told us for many years that we were wrong and that they did not have it, but the chief inspector told me not long ago that they had some eight or ten thousand cases.

At six o'clock the House resumed and then took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 161, respecting the Western Life Assurance Company.—Mr. Bradbury.

Bill No. 162, respecting Saskatoon and Hudson Bay Railway Company.—Mr. Carvell.

Bill No. 163, to incorporate the North American Accident Insurance Company.—Mr. Baker.

Bill No. 164, respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—Mr. Weichel.

Bill No. 165, respecting the Western Dominion Railway Company and the Alberta Pacific Railway Company.—Mr. R. B. Bennett.

Bill No. 166, to incorporate the Farnham and Granby Railway Company of Canada.—Mr. Baker.

Bill No. 167, to incorporate the Cornwall and Hawkesbury Railway Company of Canada.—Mr. Alguire.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Intercolonial railway—air brakes, to improve triple valves, $7,150.

Hon. J. D. REID (acting Minister of Railways): This is to improve the triple valve air brakes on the Intercolonial, in continuance of the policy of gradually improving the air brake system of that road. Since 1907 improvements have been made from year to year. The explanation I have to give in connection with this item is as follows: The 'K' triple valve has additional features known as quick service, uniform release, and uniform recharge to meet modern conditions of freight service, using less air and being far superior for controlling trains on heavy grades. It is strongly recommended by the Westinghouse Air Brake Company, and is being adopted on a number of railways. The number of cars to be fitted is 10,910, at $5.50 each; a total of $60,005. In 1907-8, 1,273 cars were fitted with this triple valve; in 1908-9, 1,273; and a similar number every year since.

Mr. NESBITT: Have all these cars been fitted with the same kind of valve?

Mr. REID: Yes. The total amount expended to date is $49,450, leaving $10,554 to be expended in fitting the balance of the cars with this valve. We are taking exactly the same vote this year as has been taken in the last seven years, namely, $7,150.

Intercolonial railway—Amherst—additional facilities $16,000.

Mr. REID: This is for improving the sidings and for general work around the yard at Amherst, necessary on account of the increased traffic. The estimated cost is $16,000.

Mr. EMMERSON: Will it be done by contract or by day labour?

Mr. REID: Day labour.

Mr. EMMERSON: I should think the conditions at Amherst would lend themselves to the work being done by contract.

Mr. REID: The improvements are going on right in the yard where they are working all the time, and I understand that it is customary to do such work by day labour.

Mr. WILLIAM CHISHOLM: Has the minister received a copy of a resolution passed by the Antigonish Board of Trade, asking the department to make a survey of a railway line, starting at or near Antigonish and running through South River valley to Country Harbour? If the minister has received such resolution, what does he purpose about it?

Mr. REID: I cannot remember just now; although I think there was such a resolution received. I shall be able to give the hon. gentleman full information later.

Mr. WILLIAM CHISHOLM (Antigonish): I appreciate, that the hon. gentleman being only acting Minister of Railways, it would hardly be fair to ask him to make a statement on a matter of this kind, but I desire to take advantage of this opportunity to put on record, for the guidance of the Minister of Railways when he returns, the importance of complying with the request of the petition of the Board of Trade of Antigonish. On March 27, 1912, I had occasion to bring the question of this line from Antigonish to Country Harbour to the attention of the House, and I then set out the importance of the road and the desirability of constructing it. The Minister of Railways seemed to realize then that that line was shorter than any of the proposed lines to connect Guysborough county with the main line of the Intercolonial railway. The remarks I made will be found at page 6227 'Hansard,' March 27, 1912. I asked the minister if he had in contemplation making a survey of that route with the view of building such a railway, and he replied that he would take occasion to investigate the different routes during his tour of inspection and decide which would be the best. Later, on January 30, 1913, I brought the matter up again and put this question (page 2416 'Hansard,' 1913):

Has a survey been made for for the proposed railway route between Country Harbour through the South River valley, connecting with the Intercolonial. If so, has a report been made?
Mr. Cochrane: The department has no knowledge of any such survey having been made.

This was rather an extraordinary statement for the minister to make, on the 30th of January, 1913, in view of the solemn promise he had given on the 27th of March, 1912, that he would have a survey made. I was particularly surprised to see such an answer, because there was a by-election in Antigonish for the local Legislature in January, 1913, and during that by-election what purported to be copies of correspondence with the Minister of Railways were exhibited, and it was stated throughout the length and breadth of the district that that part of the country was to be afforded the railway communication asked for. On April 13, 1913, some months after that by-election, I brought the matter up again, and to my great surprise I found the Minister of Railways repudiating the statements made in the county, regarding the construction of this road, by men of responsible position, one of whom was seeking to be a member of the local Legislature, and another was an honourable senator. There were also read letters which purported to have come from the Minister of Railways, but which were afterwards repudiated by the minister of Railways on April 30, 1913. I pressed the minister for an answer to the question why the survey had not been made and what the intention of the Government was in respect to that. As the Minister of Railway was stolid, implacable and impervious to anv appeals for information I made on that occasion, I was obliged, in order to place myself right, to make some further extended remarks with respect to the necessity of building that road. Those remarks will be found, under date of April 30, 1913, at pages 8873 and 8875 of volume 5 of 'Hansard,' 1912-13. Therefore, I do not propose to enter into the argument into which I entered on that occasion. Those references will be sufficient to show my position in the matter, and to call the attention of the Minister of Railways, when he returns—which I hope will be in a very short time—to resume the duties of his office, to the reasons why I urge that that road should be built.

I have just one more observation to make. I moved for a return for the correspondence on file with reference to the suggested survey and construction of a line of railway from Country Harbour to Antigonish to connect with the Intercolonial railway. A return was brought down on the 22nd day of January, 1914, but I cannot find in it any reference, or petition, or request from those persons who claimed to be doing so much for the good of the road, and to be endeavouring to secure the accommodation so much desired in that vicinity; nor can I find any suggestion of

any kind urging the building of a line of railway through that section, except letters from myself, which are dated May 14, 1913, March 3, 1910, and January 13, 1911, also a letter from the secretary, Mr. Jones, under date of March 18, 1912, and a letter from Mr. W. C. Milner, under date of January 22, 1912. Mr. Milner was asking for a subsidy for a line of railway in that locality and I was endorsing his application with my humble support. My conduct has been subjected to more or less criticism, by my political opponents, it being alleged that I have not been friendly to this proposition, and that is why I take this opportunity of putting myself on record.

I can only say, in conclusion, that I hope the minister, when he returns, will see that a survey is made, and I would call his attention to the facts expressed by myself to the House on the occasions to which I have referred, particularly on the 27th of March, 1912, and again on the 30th April, 1913. I would urge upon the minister to see that the survey is made as soon as possible.

Let us have something more tangible than pre-election promises by men whose assurances are now very properly discounted in that part of the country, for it is now clear to every one that these pretending friends of the road were after votes, when they needed them, and not the railway. But the people there want the road, and are entitled to it, and it should no longer be denied or delayed to them.

Mr. REID: I will certainly look into the matter myself and see if I can get any further information, which I will give to the hon. member. I will also draw the remarks made by the hon. member to the attention of the hon. minister on his return, which I hope will be at a not very distant date.

Mr. KYTE: Will the hon. minister be good enough to say whether or not any move has been made with a view to taking over the branch line owned by the Cape Breton railway between St. Peters and Sydney?

Mr. REID: No move has been made yet.

Mr. KYTE: Has any engineer been sent over the road within the last few weeks for the purpose of making a report to the department?

Mr. REID: I do not know. An engineer may have been sent by the general manager of the Intercolonial, but I know nothing about it. If I understand the situation aright, the Department of Railways or the Government cannot take over any of these branch lines under the present law; that is, without bringing a Bill into Parliament and having it passed. There is no intention, so far as I know, of taking over the road mentioned during the present session.

Mr. KYTE: When I was at St. Peter's a few weeks ago, I was informed that Dr. Martin Murphy, formerly provincial engineer for the province of Nova Scotia, was to be sent down by the Department of Railways and Canals in a few days for the purpose of making an investigation as to the physical condition of the road, and making a report to the department. I understand from the remarks of the hon. minister that neither Dr. Murphy nor any other engineer has gone over the road for that purpose.

Mr. REID: I do not know. Several gentlemen have suggested to me that there should be some scheme for developing the Bras d'Or lakes, and that there should be some hotel system there in connection with the Intercolonial railway. I suggested that perhaps it would be well for the general manager to send an engineer or some one down to look over the situation and advise me.

Mr. MACDONALD: What does an engineer know about hotels?

Mr. REID: It would be necessary to look over the road. It may be for that reason that an engineer has been sent down. I do not know whether or not there is anything in it.

Mr. KYTE: No action has been taken by the department to make a survey of the proposed route between St. Peter's and Sydney with a view to extending the line in that direction?

Mr. REID: No.

Mr. MACDONALD: Mr. Gutelius has been doing things that the minister does not know anything about. Did not Mr. Gutelius have an interview within the last two weeks at Halifax with certain gentlemen in regard to taking over the line between New Glasgow and Thorburn?

Mr. REID: I did not see it in the newspapers.

Mr. MACDONALD: Neither did I, but did not Mr. Gutelius have an interview with certain gentlemen interested in the taking over of the line belonging to the Acadia Coal company from New Glasgow to Thorburn?

Mr. REID: I do not know whether he met them or not.

Mr. MACDONALD: Did the minister authorize him to meet them?

Mr. REID: No, I did not.

Mr. LEMIEUX: Speaking of branch lines, I wish to say a word in favour of the Gaspé railway. My hon. friend knows that what is known as the Gaspé railway is made up of two lines: One extending from Matapedia on the Intercolonial railway to New Carlisle, and the other from New Carlisle up to Gaspé basin in the county of Gaspé. The first section was built thirty or thirty-five years ago and cost the country a very large sum of money. It serves a very rich section of the country, which might be very prosperous if the line were in good order. The first twenty miles of the section, called the Atlantic and lake Superior, was built originally by the Government. It had been intended at first to build it from Matapedia to Gaspé basin, as a branch of the Intercolonial. This decision had been arrived at when Sir Chas. Tupper, I believe, was Minister of Railways and Canals. For some reason or other that idea was abandoned and the road was taken over by Mr. C. N. Armstrong, a gentleman well known in the railway world; and, by subsidies from the Dominion Government and from the Provincial Government, he succeeded in building the first hundred miles, that is to say, from Matapedia to New Carlisle. It is a beautiful section of country represented by my hon. friend the member for Bonaventure (Mr. Marcil). Unfortunately it seemed that the large fishing establishment known as Robin and Company, later on merged into the Robin-Colas Company, a Jersey firm, was opposed to any railway construction in that country because, forsooth, the railway might induce the fishermen to migrate into other sections of the country, and the fishing establishment would be deprived of the valuable services of that population of fishermen. After many years that first section was finally completed, but it is to-day, as it has been for a long time, in very poor condition indeed. If the hon. member for Bonaventure were in his seat, he could describe to the committee the very dangerous condition of that road. When I was elected member for the county of Gaspé in 1896 I took up the question of building the second section of the road, extending from New Carlisle to Gaspé Basin. A company was formed, subsidies were voted by this Parliament, a land grant was voted by the legislature of Quebec and the second section of the line was completed in 1910. There is quite a difference between the two lines. The first, as I have said, is in very poor condition; the second is a really well-built road, upon which trains run regularly from New Carlisle to Gaspé Basin. But in order to connect the Gaspé end with the other parts of the country, the trains have to run on the first section, which is not in good condition, and the result is that one section of the line is in good order and the other is not. As has very often been said, it is an extraordinary thing that the original intention of the present Government has not been carried out; that is to say, that this section of the country has not been connected with branch railway lines as part of the Intercolonial system. To-day, on account of this mishap to the first section of the road, the company cannot prosper. It is true that trains are run both ways, but they are run without profit. If the Government were to make the necessary arrangements with the company and obtain the road upon fair terms, I am sure that they would be really doing something for that most interesting section of the country. For almost half a century that section of the country was deprived of railway communication; yet it is the oldest county in the whole of this Dominion. It is well known that when Jacques Cartier came to Canada in the sixteenth century, he first landed on the shores of the bay of Gaspé. I understand that the Government cannot acquire the road without introducing special legislation to that effect. In order to facilitate the acquiring of those lines, why should not the minister and the department feel their way by approaching the various companies and establishing to their satisfaction, as well as to the satisfaction of Parliament, what would be the cost of taking over those branch lines? It seems to me that this would be putting the oxen before the cart. I believe that if last year Parliament had been made aware of the cost of the various branch lines, the legislation which was introduced could have been passed and the amendment introduced by the Senate would probably not have been made. During the time that I was member

for Gaspé, a period of 16 years, I received many communications on this subject. Although their end of the road is in perfect order, my former electors in the county of Gaspé are anxious, in order to ameliorate the conditions, that this road should be taken over as a branch line from Matapedia to Gaspé Basin.

Mr. REID: The hon. gentleman has opened up the question of the acquisition of branch line railways as a part of the Intercolonial system. The hon. gentleman will agree that the very fact that the Minister of Railways last year introduced a Bill to that effect shows that he is much interested in the matter and that he intended to take over many or all of the branch line railways and make them part of the Intercolonial. The House unanimously, I think, passed the Branch Lines Bill, but unfortunately the Senate amended it in such a way that it did not become law. During the time that I have been acting for the Minister of Railways and Canals, I have certainly been convinced that it would be a good thing for the Intercolonial and a good thing for many parts of the country if these branch lines were taken over. They would be great feeders of the main line, and could be managed at less cost than at present, as these various railway companies have a large amount of rolling stock, etc., that would not be required if the Intercolonial took them over. If I were in a position to-day to do so under existing legislation, I would be in favour of taking over many of these branch lines, but, as the hon. member has stated, the Branch Lines Act which is now on the statute book does not permit the taking over of branch lines without further legislation, and I would not feel like assuming the responsibility of taking any additional steps in the matter in the absence of the Minister of Railways.

I do not know that there is much more I can do in the matter. But, so far as I am concerned, I believe that it would be of great advantage to the Intercolonial railway to have some of these branch lines, and, in taking them over, an extension of fifteen, twenty or twenty-five miles further would be most helpful to many parts of the country. I am in hopes that the time will come, and that soon, when the Government will be in a position to take over some of the branch lines. I do not know how many should be taken over; I have not gone into the matter. The hon. member knows that the minister must have much information in connection with the branch lines, for he has had this matter before as also had his predecessor. The owners of branch lines are continually appealing to the department asking the Intercolonial railway to take the lines over, and in many cases information is obtained as to their value and what the owners expect for them. Then again, surveys and inspections have been made on many of them. We have a great deal of data in the department on this subject, and I am sure the department will be ready to act upon it as soon as it is in a position to do so. And the very line the hon. member mentioned is one which was brought to my attention, and I believe it would be a good feeder for the Intercolonial railway.

Mr. LEMIEUX: I would suggest that during the holidays the minister should do his best to meet the representatives of the various companies and ascertain in some of the cases what would be the cost of acquiring the lines. This would pave the way to enabling legislation empowering the minister to purchase a certain number of railways. If beforehand he could say to Parliament that it would cost so much for this or that line, Parliament would feel better able to deal with it.

Mr. REID: That is a very good suggestion, and I will draw the attention of the Minister of Railways and Canals to it, or, if he should not be there, I shall be glad to follow it up.

Mr. SINCLAIR: Can the minister tell us what is proposed this year in branch line construction? Some of us on this side were much encouraged by the Government accepting a resolution moved by the hon. member for North Cape Breton (Mr. McKenzie) favouring the construction of certain new branch lines in Nova Scotia in counties not now provided with railway facilities. Will the minister say whether any provision will be made in the Supplementary Estimates for the construction of any of these branch lines in Nova Scotia?

Mr. REID: There is no vote for new branch lines; there is a vote for surveys to be made, and I think that the staff are at work, or are about starting at work, on the surveys along the Intercolonial railway.

Mr. SINCLAIR: There is no vote in the Main Estimates but we would like to know whether there will be a provision in the Supplementaries.

Mr. REID: I could hardly state that until the Supplementaries are passed by Council. In the Main Estimates is a vote for $50,000 for surveys and inspection. I do not think the hon. gentleman would expect me to make an announcement as to the other.

Mr. SINCLAIR: I think the acting minister should be prepared to state the policy of the Government with regard to the branch lines, so that the committee might know whether the department intend to go forward this year or not. That would be a proper thing for the minister to deal with when he is bringing in his railway Budget. I am not asking him to reveal secrets or to say how much he is going to spend. But will he spend any?

Mr. REID: The Supplementary Estimates will have to be discussed in Council before I can make any announcement.

Mr. WILLIAM CHISHOLM (Antigonish): While I am in hearty accord with the policy of the Government in taking over the branch lines, I would suggest to the acting minister that he must be just before he is generous. On a former occasion I brought up the question of the refund of damages paid by the municipalities of Pictou, Antigonish and Guysborough for the right of way for that portion of the Intercolonial railway running between New Glasgow and the strait of Canso. The subject was discussed on that occasion, but not at great length. The Prime Minister discussed the matter shortly, and the hon. member for Cape Breton, the hon. member for Guysborough, and I think the hon. member for Pictou made some observations regarding the injustice of this claim. But the minister of Railways on that occasion stated that he did not know anything about this claim until it had been discussed that night. He, however, gave an assurance that he would look into the question so that he could discuss it at a future date. His remarks will be found in volume VI of 'Hansard,' 1912-13. The occasion for the discussion of the matter was the proposal for a subsidy to the Ontario Government of $2,000,000 in connection with the building of the Temiskaming and Northern Ontario railway. It was pointed out by myself, and urged by others, that in view of the precedent thus established there was no reason for further delay in paying to the municipalities the sums they had expended in that portion of the Intercolonial railway to which I have referred. The whole of the Intercolonial railway from Sydney to Montreal has been paid for by this Government —by the people of Canada. But as I was explaining, and as I am sure it will surprise the acting minister to know, the municipalities of these three counties have had to bear the cost of the right of way of that portion of the Intercolonial railway and the money was never refunded. There are other parts of the Intercolonial railway that were taken over from time to time in connection with the general scheme of building, but the provinces that had put their money into these lines were recouped. I do not think I can lay the case before the committee better than by giving somewhat in detail what was urged for and against the claim made by the Province of Nova Scotia in this connection, so that the minister may have all the facts when he returns; and I propose to give both sides of the case. This is an old question, dating back as far as 1891. There is a history to it, and I think it right that both sides of the case should be presented. Therefore, at the risk of wearying the committee, I propose to put on the pages of 'Hansard' the pros and cons.

Mr. REID: The hon. gentleman stated that this dates back to 1891?

Mr. CHISHOLM: The history of it goes back to 1891.

Mr. REID: Yes, but did the claim originate then on the building of the Intercolonial railway?

Mr. CHISHOLM: It originated before that portion of the road known as the Eastern extension, running from New Glasgow to the strait of Canso, was taken over by the Dominion Government. That railway was built by a company subsidized by the province, and the municipalities paid for the right of way. Later, the Dominion Government took it over and repaid the province what it had put into the road, but never repaid the municipalities the amount they had paid for the right of way. My point is that for every other part of the Intercolonial from Sydney to Montreal the municipalities have been held free from any portion of the cost. The Government paid the whole cost of the road. The matter will be explained better than I can explain it if I place on 'Hansard' the resolutions that were passed as far back as 1891. On the 15th day of May, 1891, the legislature of Nova Scotia passed, and afterwards presented in due course to His Excellency the Governor General, an address which sets forth the facts as follows:

That the Intercolonial railway of Canada, extending from the harbour of Quebec to the harbour of Sydney, in the island of Cape Breton, is fully recognized by the Government and Parliament of Canada as a Dominion work.

That one section of the said railway, extending from the town of New Glasgow, in the county of Pictou, to Port Mulgrave in the county of Guysborough, a distance of about eighty miles, was not constructed by the Government of Canada, but was subsidized by the funds of the province of Nova Scotia to the extent of six hundred and seventy-one thousand eight hundred and thirty six dollars and two cents ($671,836.02).

That such section of the Intercolonial railway, formerly called the Eastern extension railway, was constructed by a company under legislation of the province of Nova Scotia, in conjunction with the legislation of the Parliament of Canada granting the Pictou branch of the Intercolonial as a bonus to assist such construction.

That under such legislation the Pictou branch was to be transferred to the company on the completion of the Eastern Extension railway, or to the Government of Nova Scotia, in the event of their acquiring the Eastern Extension railway from the company.

That the Government of Nova Scotia acquired the said Eastern Extension railway from the company, and applied to the Government of Canada for a transfer of the Pictou branch.

That the Government of Canada refused to transfer said Pictou branch, except upon conditions which the Government of Nova Scotia deemed unjust.

That negotiations were entered into between the Government of Canada and the Government of Nova Scotia with a view to a transfer of the provincial interests in the said Eastern Extension railway to the Dominion.

That in such negotiations a refund of the provincial subsidy was sought by the Government of Nova Scotia and was refused.

That the Government of Nova Scotia, being compelled to accept such terms as the Government of the Dominion would agree to, or enter upon protracted and expensive litigation to assert the rights of the province, consented to dispose of the provincial interests in the said railway for the sum estimated to be equal to the costs to the province of acquiring the road from the company, apart altogether from the sum paid to the company by the province by way of subsidy.

That notwithstanding such disposal of the property to the Dominion, the province has an equitable right to be refunded its expenditure on what is acknowledged to be a part of the Intercolonial railway of Canada.

That while it is the established policy of the Government of Canada, in constructing sections of the Intercolonial railway, to pay the cost of land for the track of said railway, in the case of the railway from New Glasgow to Port Mulgrave, the right of way was paid for by the municipalities of Pictou, Antigonish and Guysborougn under Acts of the legislature of Nova Scotia.

The address concludes by praying His Excellency to take such steps as will lead to the payment by the Government of Canada to the Government of Nova Scotia the sum of money expended by the Local Government in the construction of the railway from New Glasgow to Port Mulgrave and also—

To the payment to the municipalities of Pictou, Antigonish, St. Mary's, and Guysborough, of the sum expended by them for the right of way of the railway from New Glasgow to Port Mulgrave with interest in each case.

Before proceeding to the next step in the negotiations between the Nova Scotia Government and this Government, let me refer back to the previous action of the municipality of Antigonish, and I cannot express its position any better than by quoting the resolution passed by its municipal council at the annual meeting on the 20th January, 1888. It is as follows:

Whereas the Government of Nova Scotia previous to the passing of the British North American Act paid for the right of way of the railway in Pictou county, between Truro and New Glasgow;

Whereas the Government of Canada is paying the right of way of the railway now in course of construction in the island of Cape Breton;

Whereas the county of Antigonish paid for the right of way of the Eastern Extension railway passing through said county when it was constructed and owned by the Halifax and the Cape Breton Railway and Coal Company;

Whereas the Government of Canada has acquired and now owns the said Eastern Extension railway:

Therefore resolved that this council demand from the Government of Canada the amount that has been paid by the county of Antigonish for their right of way of said Eastern Extension railway throughout said county of Antigonish.

That a copy of this resolution be forwarded to the Minister of Railways and to our representative at Ottawa, and also that it be published in the local papers.

Similar resolutions were passed by the other municipalities interested which are to be found in a return to an order of the House moved for by me on the 15th of January, 1913, and brought down the 19th of January of this year. I refer to those resolutions to make clear the claims of the municipalities as set forth in the memorial to this Government which I read a moment ago.

I desire to refrain from introducing anything controversial in the remarks which I am making, but the House and the Government will pardon me if I allude to the fact that in the matter of these claims the party spirit asserted itself. The Government was a Liberal Government in Nova Scotia, then led by the brilliant and gifted statesman who was afterwards Minister of Finance in the late Laurier Administration. The Conservative Opposition in the local legislature opposed the claims made against this

Government. I am not going to question the motives for their actions which, to me, at this date, seem to have been very unpatriotic to say the least. Suffice it to say they condemned the Government for having transferred the eastern extension to this Government, and contended there was no justice in the claims made. They virtually took the position which this Government adopted, as shown in their answer to the claims made, which I shall put on 'Hansard' a little later. They divided the House twice on this matter, and I have no doubt their unpatriotic conduct influenced their Conservative friends at Ottawa in the action taken by the latter.

To return to the memorial of the Government of Nova Scotia, which I read a moment ago. The memorial was duly received, and acknowledged, but no definite reply to it was forthcoming. So in the year 1892 a delegation composed of the Attorney General, now Judge Longley, of the Nova Scotia Supreme Court bench, and the late Hon. Thomas Johnson, who was then, I tnink, Commissioner of Works, came to Ottawa to urge a compliance with the terms of the memorial. Subsequently, the Secretary of State sent an official communication to the Government of Nova Scotia declining to entertain the claims. The answer of this Government is found in a report of a Committee of the Privy Council, approved by His Excellency, the Governor General in Council on the 28th October, 1893, from which I quote as follows:

The Minister of Railways and Canals, to whom the memorials were referred, reports, with reference to the first item of the claim, in which it is alleged that a certain subsidy amounting to $671,836.02 granted and paid by the Government of the province of Nova Scotia in aid of the Halifax and Cape Breton Railway—better known as the Eastern Extension —should now be recouped to that province, that the Halifax and Cape Breton railway was originally constructed under a charter granted by the Legislature of Nova Scotia, and the Government of that province appears to have voluntarily granted, and paid out of the funds under its control the above mentioned sum as a subsidy to the Halifax and Cape Breton Railway Company, which was the company originally chartered, and was the company under whose management the line was constructed;

That the provincial Government reserved to itself the right, under certain conditions, to acquire the said road, in order that it should be operated efficiently in the interests of the people of the counties through which it passed;

That in accordance with the right thus reserved, the railway in question was so acquired, and became the property of the Government of the province of Nova Scotia, which, subsequently, made a demand upon the Government of Canada for a transfer of the Pictou Branch railway on the ground that the last named railway had been promised by the Dominion Government as an aid to the Eastern Extension. To this demand the Dominion Government replied in effect that the conditions upon which such grant of the Pictou Branch railway had been offered had not been fulfilled and were then incapable of fulfilment. It was suggested, however, by the Dominion Government that they should ask Parliament for power to transfer the Pictou Branch railway in accordance with the original design, if the Government of Nova Scotia would give certain reasonable guarantees which the Dominion Government deemed essential to secure the efficient operation of the line in the interests of the people of eastern Nova Scotia. These guarantees the Government of Nova Scotia declined to give; and in 1883, two delegates from that Government, the Hon. W. T. Pipes and the Hon. W. S. Fielding, visited Ottawa and urgently pressed upon the Government of Canada the desirability of the last mentioned Government purchasing the Eastern Extension railway, in order to relieve the provincial Government from the operation of that line, which was then burdensome to the province and likely to continue so;

That after a full discussion of the terms of purchase, in which the interests of the provincial Government were fully canvassed, it was finally agreed that the Dominion Government should accept the transfer of the rights and interest of the provincial Government in the said railway in consideration of a payment to the provincial Government of the sum of $1,284,311.97. The present claim was then fully considered and disposed of. The memorials now under consideration assert 'that in such negotiations, a refund of the provincial subsidy was sought by the Government of Nova Scotia and refused.' Notwithstanding the refusal, the Government of Nova Scotia accepted the sum offered by the Dominion Government, and transferred its title and interest in consideration of that sum;

That from the date of the transfer until the present time, the Government of Canada have kept faith with the people in whose interest the line was constructed, and at great expense have improved the roadbed, added largely to the rolling stock and equipment, and have given much more efficient service than could reasonably have been expected of the company to whom the subsidy was oringinally granted.

The minister observes that he fails to see that the fact that the provincial Government in disposing of this property to the federal Government for the sum named did not obtain the full amount they desired—being only recouped their own expenditure in the acquisition of the road from the company—constitutes any grievance. The views of the seller and buyer were, at first, divergent on the question of price, but the transaction was finally closed on terms which one side was willing to give and the other concluded to accept. To reopen, as is now attempted, the question of the price would, in his, the minister's opinion, be contrary to justice and reason.

The minister submits, as to the demand on the Dominion Government for payment to the municipalities of Pictou, Antigonish, St. Mary's and Guysborough of the sums expended by these municipalities for the right of way of the railway above referred to, that before the said railway was constructed, and in view of the facilities and accommodation which the construction of the said railway would confer

on the people of the municipalities mentioned, the said municipalities voluntarily offered and agreed to pay the amounts involved in the purchase of the right of way of the said line. Such were contributed in consideration of the advantages to be derived from the construction of the line, and were not intended to form any lien upon the railway so constructed, nor were they paid under any expectation of reimbursement. That since the railway had been operated by the Dominion Government, its efficiency has been increased far in excess of what could have been reasonably anticipated by the residents of the above mentioned municipalities when making the grant which they did in aid of the construction of the line.

That the mere fact that some other counties did not make a like contribution to railways which were constructed through them does not seem to afford substantial reason for the present claim.

Mr. J. D. REID: What date was that?

Mr. CHISHOLM: About 1893. The matter stood thus for some years until happily for the province of Nova Scotia a Liberal Administration came into power at Ottawa in 1896. So impressed with the justice of the claims made was the Government of Nova Scotia that, notwithstanding their previous refusal, they again submitted their claim to a Government which was naturally supposed to be more sympathetic, and in which they believed they had an especial friend at court in the person of the then Minister of Finance, the Hon. Mr. Fielding. On the 15th of October, 1897, the claim was again presented to the Laurier Government. Inasmuch as I have read to you the position taken by the previous Conservative Administration here, as disclosed in the report of the Privy Council of the 28th of October, 1893, from which I have quoted, it is fitting that the rejoinder thereto should be placed on 'Hansard.' The House will pardon me for taking up its time, but I want all the facts laid before it so that the Minister of Railways, who is unfortunately absent, may grasp all the facts of the case, about which there seemed a great deal of misapprehension in certain quarters. Therefore, I propose to lay on 'Hansard' the further argument of the Government of Nova Scotia as contained in the documents presented to the late Laurier Government in 1897. I quote the following:

Eastern Extension Railway.

The terms of Confederation imposed upon the federal Government the responsibility of constructing the Intercolonial railway as a Government work, and, while the actual terms of the British North America Act only required that the railway should connect the river St. Lawrence with the city of Halifax in Nova Scotia, the Government has seen fit, as a matter of public policy, to extend this road on the one side from Rivière du Loup to Lévis, and still later to the city of Montreal, and on the other to Sydney Harbour, in the county of Cape Breton. Every portion of this railway has been constructed and paid for out of the consolidated revenues of Canada, and the right of way for the whole work has been paid for out of the consolidated revenues of Canada except one portion between New Glasgow and the strait of Canso. That portion was built by the Halifax and Cape Breton Railway and Coal Company, by aid of a Liberal subvention from the Government of Nova Scotia. It was undertaken upon condition that on its completion it should be further aided by being handed over the line of railway then belonging to the Dominion between Truro and Pictou, which was then and still is a very profitable piece of road. Believing that it was in the public interest that this Eastern railway system should be in the hands of the provincial Government rather than in the hands of a company, the Government of Nova Scotia, in the session of 1883, took steps to acquire the Eastern Extension railway which carried with it the right of possession and ownership of the Pictou branch. A clause had been inserted in the contract with the Halifax and Cape Breton Railway and Coal Company enabling the Government, after the completion of the line, to take it over by paying the amount of the actual outlay of the company over and above the amount of subsidy it had received from the Government. The power of acquiring was exercised, and the Eastern Extension railway came into the hands of the Government during the year 1883, and was operated by the Commissioner of Public Works. On applying to the Dominion Government for the handing over of the Pictou branch, under the terms of the agreement and Act of Parliament, the federal Government imposed such conditions in respect of the transfer as made it impossible for the Government of Nova Scotia to carry out its policy of acquiring and managing the Eastern railway system, with its contemplated extension through the island of Cape Breton, without incurring finanical responsibility far beyond its resources. The terms which the Dominion Government imposed as the conditions of handing over the Pictou branch were so unreasonable and so exacting as to raise a very strong presumption that they were imposed in furtherance of the well devised policy of the Government to themselves make this Eastern Extension a part of the Intercolonial and extend the same to Sydney Harbour. The result was that the Government of Nova Scotia was compelled reluctantly to abandon its own policy, and to hand over the Eastern Extension railway to the Dominion Government as a part of the Intercolonial railway system upon being refunded the amount that they had actually paid to the Halifax and Cape Breton Railway and Coal Company. At the time of this transfer, as will be found in the Journals of the House of Assembly, 1884, the Hon. Messrs. Pipes and Fielding, who were the delegates representing the Government of Nova Scotia, urged on behalf of the Government of Nova Scotia that the Dominion Government on taking over the Eastern Extension railway, should not only pay its costs to the provincial Government, but the provincial sub-

sidy as well; and no doubt this would have been insisted upon if it had not been that the action of the Dominion Government in refusing to hand over the Pictou branch, except upon terms which were quite unreasonable and quite impossible of fulfilment, compelled the provincial Government, in self-defence, to give up the road upon being recouped the actual amount which had been paid out to the company.

The fact remains that from Lévis to Sydney Harbour every single mile of the Intercolonial railway now running, has been paid out of the consolidated revenues of Canada, including the right of way with the exception of the short piece between New Glasgow and the strait of Canso, and this part of the national highway has been partially paid for out of the revenues of the province of Nova Scotia, and the right of way has been paid for by the ratepayers of the municipalities of Pictou, Antigonish, St. Mary's and Guysborough. The Government of Nova Scotia simply asked that this portion of the Intercolonial railway be placed in precisely the same condition as all the other parts of the Intercolonial railway; that the sum of six hundred and seventy-one thousand eight hundred and thirty-six dollars ($671,836), which the province of Nova Scotia, out of its limited resources, has paid as a subsidy to this part of the Intercolonial railway, be refunded to the province, inasmuch as if the Intercolonial railway had been extended by the Dominion Government eastward—as it actually has been in accordance with its well defined policy—it would have been necessary to have paid for the construction of the portion between New Glasgow and the strait of Canso as much as the amount which had actually been paid for it, plus the subsidy which has been paid out of the revenue of the province of Nova Scotia; also the cost of the right of way. The piece of road between the strait of Canso and Sydney Harbour stands in precisely the same position as a part of the whole national work. Every dollar of the cost of construction has been paid for by the Dominion Government, and it will be difficult to devise means of pointing out any distinction which exists between the case of that portion of the Intercolonial railway, and the portion between New Glasgow and the strait of Canso, towards which the province of Nova Scotia has actually contributed the sum of six hundred and seventy-one thousand eight hundred and thirty-six dollars ($671,836).

It is scarcely necessary to remind you of the action of the Government of Canada in relation to the province of Quebec in respect of a case so very similar to this, only, perhaps, not as strong. In that case the Dominion Government undertook to refund to the province of Quebec their subsidies paid for the Quebec, Montreal, Ottawa and Occidental, because it seemed to be a part of the general railway system of the country. The case is surely not as strong as in a case where the road itself becomes the property of the Federal Government, and is being operated now as a national Government railway.

The claim, therefore, of the province of Nova Scotia is that this sum should be refunded with interest and that the amount paid by the municipalities of Pictou, Antigonish, St. Mary's and Guysborough for a right of way should likewise be refunded to those municipalities.

Now, Sir, I have laid before the House both sides of the case. The temptation to discuss the arguments pro and con is very strong; but that would be inexcusable as we have a quasi judicial pronouncement on the facts.

The Laurier Government showed its sympathy with the claimants by directing that the whole matter so far as these claims are concerned should be left to arbitration. The arbitrators appointed under an Order in Council dated July 19, 1900 were: Sir George Burton, an ex-Chief Justice of the province of Ontario; F. B. Wade, a leading lawyer of the city of Halifax; and Edmund J. Barbeau, a prominent banker of the city of Montreal. The case of the province was presented by the Attorney General of Nova Scotia, and the present member for Pictou (Mr. Macdonald), and part of the time by the late Christopher Robinson, K.C., of Toronto, while Mr. Lafleur, K.C., of Montreal, represented the Dominion Government. The decision of the arbitrators will be found in the sessional papers for 1901, Vol. xxxv, No. 13, as Sessional Paper No. 73. It is a complete vindication of the position taken by the Fielding Government, and afterwards by the Murray Government of Nova Scotia. It finds that the claim of the province was a just one. To quote the language of the board:

> We are forced to the conclusion that the claim of the province is a just one and we respectfully recommend that they should be paid the sum of $671,836, the amount of the bonus.

The findings of the arbitrators must be regarded as binding in law and fact, and conclusive as to the matters in dispute between the two governments—just as binding as a decision of the Supreme Court of Canada or the Privy Council in a matter that properly comes before them. The personell of the arbitrators, their high standing, and the professional standing of the counsel employed on either side renders the decision of the board such as makes it acceptable to all parties. The argument was made on behalf of the Government that the province voluntarily transferred the eastern extension for a certain fixed amount, namely the amount paid by the provincial government to the company for a transfer of the road by the company including their rights and interest in the Truro branch under the tripartite agreement, so called, and all parties were bound by that bargain. The amount was as stated $1,284,311.97. This amount, it will be observed, did not include the subsidies that had been given by the province during the construction of the road, amounting to

$671,836, nor what was paid by the municipalities for the right of way, which with interest to date would in round numbers approximate:

Due	municipality of	Pictou	$141,000
"	"	St. Mary's..	5,000
"	"	Antigonish..	55,000
"	"	Guysborough	32,000

It will be noted that the refund to the municipalities for the amount paid to them for the right of way was on all occasions as strongly urged as was the claim for the refund of the provincial subsidies paid the company. It would seem manifestly unfair that the Dominion Government, representing the whole of Canada, should take over that railway as a part of the Intercolonial railway belonging to the whole of Canada and constructed and operated for the whole of Canada, and not for the convenience or accommodation of any particular section of it, without paying for it every cent that it actually cost. Whilst individuals or corporations may well be justified in driving the best bargain they can, and may well insist on enjoying any legitimate advantage the one obtains over the other in a bargain made, I submit that rule should not be invoked by the Government of the country dealing for the whole country. It should not deal in a huckstering spirit, but should have regard to what is fair and equitable and just in foro conscientiae, without seeking to take advantage of any technical objections available, or of anything strictly legal, in contradistinction to equitable, defences. From a reading of the arbitrators' report it appears this view seemed to have properly influenced them. They found this Government should repay the subsidies advanced by the province in the building of that part of the Canadian road. Can any one doubt that if the claim of the municipalities had been dealt with by these same arbitrators they would have been allowed? If it was right and proper, if fairplay and justice demanded, that the province should get back the money that it expended in that part of the national road, equally just and equitable is it that the municipalities should be refunded their contributions. It does not seem fair that Canada as a whole should pay for the right of way of every other portion of the people's road except that portion from New Glasgow to Mulgrave. It does not seem fair, and there is no principle of justice or equity on which you can contend, that these municipalities of Antigonish, Pictou, Guysborough and St. Marys should alone, of all the municipalities from Cape Breton to Montreal contribute directly or indirectly to building or extending the national railway required to be provided by Canada as a whole under the terms of Confederation? The late Conservative Government took the position that in view of 'the facilities and accommodation which the construction of the said railway would confer on the people of the municipalities mentioned, the said municipalities voluntarily offered and agreed to pay the amounts involved in the purchase of the right of way of the said line,' and that 'such were contributed in consideration of the advantages to be derived from the construction of the line.' As a matter of fact, they did not do so voluntarily. But do not the very same advantages, facilities and accommodations extend to every other municipality from Montreal to Sydney? Why, therefore, should we be saddled with burdens which the others have not had to bear? When the Intercolonial railway was extended from Mulgrave to Sydney did the municipalities through which it ran have to bear the cost of the right of way in view of and in consideration of the advantages, facilities and accommodation such extension would give? Not at all. I submit therefore, that the position taken by the Minister of Railways in 1893 is not tenable, and his conclusion 'that the mere fact that some other counties did not make a like contribution to railways which were constructed through them, does not seem to afford substantial reason for the present claim,' is alike illogical, unjustifiable and unfair.

Now, Mr. Speaker, you may ask, why was not the claim of the municipalities which on its face seems much stronger than that of the province submitted to the board of reference. It is unfortunate under the circumstances that it was not, for unquestionably it would have received favourable consideration. You have observed these claims were urged in the various memorials presented. These memorials were passed in 1886, 1889, 1891, 1894 and 1898 respectively. In the report of the arbitrators I find a reference to the municipalities' claims as follows:

> A claim was made at the opening of the case by several municipalities who had assisted the railway by grants of money, to be heard by this board; but it was determined that such claims did not come within the scope of the reference, and we adhere to that position.

My information is that when it came to the submission to arbitration, the claims

of the municipalities were intentionally omitted in the order of reference. It was thought advisable not to confuse or complicate the issue by submitting more than one claim. The claim of the municipalities being considered much the stronger, the claim of the province was first submitted alone, it being assumed that if a favourable award were obtained in this case, there would be no question about the right of the municipalities to recover later. On the other hand, in the event of an adverse decision by the board, so far as the claim of the province went, the claim of the municipalities might be jeopardized by being linked up with the weaker claim. At any rate, the board did not adjudicate these claims, and they now come before this Government for settlement.

After the award was made in favour of the province and the amount thereof nearly three-quarters of a million dollars was paid, the municipalities claimed the province should recoup the amounts expended by them. The contention was made amongst others, that the local Government at the time had unjustly imposed and reimposed the obligation of paying for the right of way upon these municipalities against their will; that the province in undertaking to deal with the road and to transfer it to the Dominion Government was bound in fairness to pay them itself, or as a result of their dealing with it, to obtain payment for them; and that under these circumstances it was the duty of the local Government to see that the claims of the municipalities were included at the time of the arbitration held in 1901, as a part of the claim to which the province was entitled, and which the province should refund to the municipalities inasmuch as the province had improperly, it was urged, fastened this burden upon them when the construction of the road was undertaken. I am not going into details regarding this phase of the matter. I may say, however, that under chapter 3 of the Nova Scotia Acts of 1905, and chapter 50 of the Act of 1907, which extended the scope of the inquiry, a commission was appointed by the local Legislature to report on and adjudicate the claims of the municipalities, as made against that Legislature. There was some delay on the part of the municipalities in availing themselves of the machinery to adjudicate their claims; and it was not until the 24th of June, 1912, that the commission, consisting of Chief Justice Fitzpatrick of the Supreme Court of Canada, Chief Justice Townsend and Judge Drysdale, of the Nova Scotia Supreme Court, gave their decision, finding that there was no claim against the Government of the province in connection with the matter referred to them. The question they decided was the liability of the province to recoup the counties. The right of the municipalities to be recouped by somebody was evidently assumed. The commission decided that the province was under no legal or moral duty to do so. The inference is obvious. Disappointing as this decision may be to the municipalities, it is, and must be, accepted. This was not a commission composed of party friends of the local Government, who would in advance take instructions as to the goal desired, the decision to be reached; but it was composed of men who know not politics since their elevation to the Bench, and who, before their appointment to the positions they now adorn, although they had their party affiliations, two of them Liberals and one Conservative, could always rise above and beyond the level of the partisan to the higher plane of professional duty, and always had and retained the confidence of the public generally. Their investigations were not ex parte, or conducted in secret; but on the contrary, in open court and in the presence of counsel for all parties interested. I make these observations in passing, because I know it to have been stated by men prominent in politics, some of whom occupy positions in public life that would at least lead you to expect more honesty from them, that the Murray Government at Halifax referred the matter of the claims to this commission in order to secure the dismissal of the claims as against them. Such an assertion is as false as it is malicious.

It is very easy to be wise after the act. Men's hindsight is greater than their foresight. It is perhaps for that reason I could never see why the claim of the municipalities was not made, in the first instance, against the federal Government, instead of against the local Government. The local Government, under the Burton award, only received the amount of provincial subventions which went into the building of the Eastern extension. Had that board dealt generally with the cost of the Eastern Extension railway and the amount which, as a matter of equity, the Dominion Government should have paid for that portion of the Intercolonial, when it was taken over, and an award had been made accordingly, then I could understand the municipalities properly claiming to be recouped by the provincial Government. But as it dealt specifically with the subventions from the

provincial treasury alone, and it was distinctly stated in the award the claim of the municipalities could not then be considered by them under their order of reference, it is obvious, to me at any rate, that the further claims should have been made later against this Government, and not against the local Government. I have no doubt that, had the municipalities promptly pressed their claims against the Dominion Government, they would, in the face of that Burton award, have been settled long before now. But as I have already stated, it is easy to be wise after the act. The municipalities, doubtless, thought the claims could be more expeditiously, and with less expense, recovered from the province; and the province could then claim from this Government. The principle on which the municipalities rest their claims against this Government is found not only in the Burton award, and in that case where the Dominion Government refunded the province of Quebec their subsidies paid for the Quebec, Montreal, Ottawa and Occidental railway, mentioned in the memorial dated October 15, 1897, but also in a more recent case, which I happened to come across, that of the claim of New Brunswick in re the eastern extension. In that case, the facts, which are almost on all fours with the claims made by Nova Scotia, were as follows: In 1869 the Dominion Government took over and adopted as a part of the Intercolonial railway that part of the road formerly known as the Eastern Extension railway, and extending from Painsec Junction eastwardly to the boundary line between New Brunswick and Nova Scotia, a distance of 37½ miles. The Dominion Government paid $894,000 for it, of which $644,000 was paid by them to the contractors who built the road, and the balance of $250,000 was paid to the New Brunswick Government, by being passed to the credit of the province on debt account. The province had up to that time paid for the construction of the road $400,000, and there was, therefore, a balance of $150,000 of the total expenditure by the province in the road. In 1884 the Dominion Government voted $150,000 to reimburse the Government of New Brunswick for money expended by them in the construction of this section of the railway, and this was, on July 1, 1884, passed to the credit of the province on debt account. The province up to that time had not only claimed this balance of $150,000, but in addition, interest on that amount from 1869, when it was claimed this balance should have been placed to the credit of the province. The Dominion Government, on the other hand claimed that the payment of $150,000 was in full of all claims by the province in connection with that road. On the 16th February, 1900, an arbitration board was created to inquire into the claim made by the province and adjust same. The arbitrators were Judge Barker, of the Supreme Court of New Brunswick, Judge Langelier, of the Supreme Court of Quebec, and Mr. Duncan Coulson, general manager of the Bank of Toronto. On the 1st April, 1901, they made their award, allowing the province the interest claimed, compounded, which amounted to $145,218.75. This report is found in the sessional papers for 1901, Volume xxxv No. 13, and in sessional papers is No. 73b. Not only was it considered equitable that the amount certified by the engineer to have gone into the construction of this section of the road should be paid, but the interest on it, from the time it should have been paid, must also be allowed. The actual expenditure by the provincial government should be recouped. It was thought but fair that the Dominion Government should pay every cent that portion of the Intercolonial railway cost.

Now I ask you, Mr. Speaker, are not the claims of the municipalities which I am endeavouring to present not only just, fair and reasonable in themselves, but their payment by this Government justified to the hilt by precedent? For very many years, this has been a source of rankling and complaint with the people of these municipalities. They have considered, and very justly so, that justice has been denied them by the late Conservative Government and delayed to them by the late Liberal Administration. From the view point of the late Conservative Government, they saw no legal duty on them to pay these demands although clearly, as indicated by the decisions and awards which I have read, the moral and equitable obligation was there. And so far as the late Liberal Administration went, they virtually admitted their liability, when they recognized their obligation in the similar cases, to which I have referred. It is hoped, therefore, that the grievance which has rankled in the minds of the people of these counties will be speedily removed.

Before leaving this point, let me give some

brief quotations expressive of the opinion of the leader of the Opposition in the province of Nova Scotia on this subject. In the debates of 1912 at page 304, Mr. Tanner is reported thus:

He had always held that the federal Government should pay the claim. He had said so in 1905, and he had never hidden his opinion.

Again:

He would repeat now what he said then, if the federal Government would now pay the claim, the provincial Government should do so.

Also:

He would say that in his opinion the provincial claim was a very weak one, and that the municipal claim is stronger than the provincial one.

These observations were made before the board of arbitrators was appointed to deal with the liability of the province in respect to these municipalities' claims. Mr. Tanner had no doubt the federal Government should pay these claims, and he apparently took the position, which it turned out was the correct one, that it was to the federal Government the municipalities should look rather than to the provincial; but so impressed was he with the justice of the municipalities' claim that he went so far as to say that if the federal Government did not pay the claims, the local Government should.

In conclusion, and here I again apologize for taking up so much time—let me summarize the grounds why these claims should be paid, by quoting from the statement of claim on behalf of the municipality of the county of Pictou, found in the return brought down lately, and invoking these grounds on behalf of the county of Antigonish which I have the honour to represent:

1. Because the Government of Canada are now the owners of the piece of railway between New Glasgow and the strait of Canso and have never paid to any one the cost of the right of way and land on which said railway is built, and should for equitable reasons pay to the county of Pictou the amount they were compelled to pay to the original proprietors over whose lands the railway was built.

2. The road from New Glasgow to the strait of Canso forms part of the Intercolonial railway, extending from Montreal to North Sydney, which road by the provisions of the section 145 of the British North America Act was to be a national work, and constructed as it has been at the expense of the federal authorities. Being a national work, it cannot be expected that a municipality should be compelled against its will, to bear the expense of the right of way or any part of it.

3. By the extension of the Intercolonial railway to North Sydney as one of its Atlantic termini and making it the commercial highway through the last named point with the colony of Newfoundland, the Parliament of Canada has made and declared that part of it from New Glasgow to the strait of Canso within the meaning and intent of section 92 sub-section 10 (c) of the British North America Act a railway and public work for the general advantage of Canada, and should therefore assume any liability imposed in the course of its construction upon a local authority like the claimants.

4. The Government of Canada have recognized their right to pay for the right of way in regard to all other portions of the Intercolonial railway and to deal with this municipality as with all other bodies and owners.

5. The Eastern Extension railway is not a railway principally of local importance or for the benefit of Nova Scotia, but is of importance to the whole Dominion just as is that part of the Intercolonial railway running from Lévis to Montreal or a part of the canal system of Canada as being a national work.

Mr. REID: The hon. member has certainly put his case very well in support of the claims of the municipalities to which he refers. But what strikes me with reference to his claim is this: The claim has been in existence for twenty or twenty-five years. In that time there have been five or six Ministers of Railways, and, I suppose, the claim has been brought before each one of them, and must have been gone into very fully. Of course, the hon. member will understand that I can hardly be expected to be acquainted with the facts, as I am only acting for the Minister of Railways and have been so acting but for a short time. I am sorry that the Minister of Railways (Mr. Cochrane) is not able to be present, but we all know the reason. It was in the latter part of last session that the hon. member asked the question of the Minister of Railways, and the minister agreed to look into it and give an answer. No doubt, were he here to-night he would give that answer. What makes me feel specially that it is difficult for the Government to assume this claim is that Hon. Mr. Fielding, ex-Minister of Finance, was Prime Minister of the province of Nova Scotia, as I understand it, when this road was sold to the Dominion Government. Of course, he knew all the facts in connection with the case. The claim was presented to him in 1897, and, no doubt, pressed very strongly upon him. I am surprised that he was not able to do something in the matter if he considered the claim a just and fair one.

I shall certainly draw the matter again to the attention of the Minister of Railways and Canals; whether or not he will be able

to take any action with regard to the claim I do not know. As I have said, the fact of its being such an old claim and of its having been brought so many times before the minister seems to indicate that there is some difficulty in the way of its being paid.

In reply to a question asked by the hon. member for Pictou yesterday, I may say that the total coal requirement for the Intercolonial railway for the current year is 680,000 tons, of which 163,000 tons are to be delivered by water at Montreal and Levis and 517,000 tons by rail. Of the 163,000 tons, 81,500 tons are to be delivered by the Nova Scotia Steel and Coal Company and 81,500 tons by the Dominion Coal Company. The other coal contracts have not been finally awarded. Following is a statement of the different contracts for 414,800 tons of the amount to be delivered by rail:

	Tons.
Colonial Coal Co.	21,650
Cape Breton Coal and Iron Co.	30,000
Inverness Railway and Coal Co., Ltd.	39,150
Minudie Coal Co.	50,000
Rothwell Coal Co.	6,000
G. H. King	3,000
Intercolonial Coal Mining Co.	75,000
Dominion Coal Co. (Springhill)	100,000
Maritime Coal Co.	90,000

Mr. MACDONALD: I wish to supplement the argument made by the hon. member of Antigonish with regard to the line of railway in the counties referred to. The cost of the right of way was paid by the municipalities mentioned, not voluntarily, but under an Act of the province of Nova Scotia which imposed the liability upon them. The legislature of Nova Scotia, after the transfer of 1884, always asserted that the province should pay back to the municipalities the sum of $671,000 which, they alleged, had been wrongfully withheld from them by way of duress, and that the amount paid for the right of way should also be refunded to the municipalities. A reference was made, and the municipalities were under the impression that the order of reference to Chief Justice Burton covered the claim of the municipalities. When the case came before the tribunal Chief Justice Burton ruled that the terms of the reference were not sufficiently wide to enable him to adjudicate upon the matter, consequently the question has since been left undetermined. The municipalities urged the local Government to pay them out of the money they had received. The reference my hon. friend made to Mr. Fielding has really no application to the case, because previous to his being minister he urged, not on behalf of the province, but on behalf of the municipalities, through the legislature, the justness of the claim. The intention of the parties at the time the order for reference was made was that the claim should be adjudicated upon by Chief Justice Burton, but on account of his having ruled that the terms of the reference were not sufficiently wide, no supplementary reference having since been made, the matter remain unsettled. I hope the minister of Railways will look into the matter very carefully; the facts will warrant his taking some action with regard to it.

With regard to the coal contracts, I would be obliged to the minister if, before he takes up his Estimates again, he will get fuller information with regard to the delay in the settlement of one of these contracts, which happens to be in connection with a company in my county. Just now the mines in my county are working only half time—two of them have been closed—and owing to the uncertainty occasioned by the delay in awarding these contracts, arrangements for the season's output are considerably delayed. As a consequence the spring operations have not been resumed, and in some cases real hardship exists among the miners on account of failure to get work. With the settlement of this contract they may go on with some reasonable degree of certainty.

I wish to call particularly to the minister's attention to-night a matter referred to in a return which he brought down some time ago with regard to a question of very wide importance. In January of this year the importance of obtaining a shorter distance on the Intercolonial between Moncton and the industrial centres of New Glasgow and Sydney occupied the attention of the officials of the department. On January 28, the chief engineer wrote a letter to Mr. Gutelius, as follows:

> In connection with the proposed low grade line from Moncton and Sydney, via Oxford Junction, Pictou, New Glasgow, etc., I would be pleased if you would authorize the necessary surveys, borings and soundings to determine what it would cost to build a bridge across Pictou harbour to a connection with the branch from Pictou Landing to New Glasgow. If this bridge site does not prove feasible, I would request authority to make such surveys, soundings, etc., as may be necessary to secure a low grade line from the vicinity of Lyons Brook, on the Pictou and Oxford Junction line, to a connection with the present line at or near New Glasgow. Either of these propositions will eliminate the present wooden bridge across the river between Brown's Point and

Loch Broom and the heavy grades between Loch Broom and Stellarton.

There is a special report of the chief engineer of the department to Mr. Gutelius, dated January 28, in which he says:

As the traffic, tonnage and number of trains on the Intercolonial railway is increasing, and considering the character of the tonnage hauled and the low rates in force in connection with same, it is desirable that grades be reduced and the double tracking extended on certain sections of the road in order to increase the efficiency and economy of operation.

These conditions are at present most pressing on those portions of the line east of Moncton, where between Moncton and Halifax there is a greater frequency of train movement and where the present lines between Moncton, Halifax and Sydney are operated over very heavy grades.

The following scheme is, therefore, outlined in order to meet these conditions and the addition of traffic which may be expected when the Transcontinental railway is put into operation; and is divided into two parts as follows:

Moncton to Halifax.

First,—Extend double track on low grade not exceeding six tenths per cent from Painsec Junction to Oxford junction and strengthen bridges.

Second,—Extend double track on low grade not exceeding six tenths per cent from Windsor junction, and strengthening bridges for heavy power.

Third,—Strengthening bridges to take the heaviest power and introduce passing sidings between Oxford junction and Truro.

General,—This whole work from Moncton to Halifax to include such additions and revisions to existing terminal yards and passing sidings, strengthening of bridges and track for heavy power, installation of telephone despatching lines and automatic block signal as may be necessary to economically and efficiently operate the line.

Second Part.

Instead of hauling the low rate tonnage between Moncton and the Sydneys over the Cobequid mountains between Oxford junction and Truro and Truro and New Glasgow it is recommended:

First—That the grades be reduced between Sydney and New Glasgow where our freight earnings are considerably less than our cost of operation.

Second,—Grade revision between Oxford junction and New Glasgow including new bridge across the river at or near Pictou connecting with the present line between Pictou landing and New Glasgow.

This whole grade revision scheme to include such revision of terminal yards, passing, sidings, strengthening of track and bridges for heavy power as may be necessary to make a first-class up to date standard line for the economical handling of traffic.

The scheme proposed by the chief engineer involved the double tracking of the road from Painsec Junction to Oxford Junction and involves the utilization of what has been known as the short line railway running through the counties of Cumberland, Pictou and Colchester. Crossing the harbour of Pictou is a bridge built twenty-seven years ago. It will have to be rebuilt, being a wooden bridge on piles and the sentiment of the community as I am sure it has been urged upon the minister, and the view that has been urged by such prominent gentlemen connected with our industries as Mr. Cantley of the steel works is that the harbour of Pictou should be passed by a permanent bridge at a point lower down connecting immediately with the line of railway which runs near the Nova Scotia steel works.

10 p.m.

Mr. REID: That is in accordance with the recommendation. I understand that the hon. member agrees to the recommendation.

Mr. MACDONALD: Yes, I am bound to say to the minister that I think the proposition of the chief engineer is a good one and I hope he will endeavour to see it is carried into effect. I hope that something will be found in the supplementaries this year that will enable construction to be proceeded with for this reason, that the condition of the old bridge is such that it would be unwise to spend a large amount on it and it is desirable that the new construction should proceed without delay. The report of the chief engineer points out some advantages that would result from this plan, but it does not mention all. The large productive traffic for the Intercolonial railway in Nova Scotia, once the ocean steamboats are off in the summer time, is in the industrial portion of the province where the coal, iron and steel furnish return traffic on the Intercolonial railway to the West. All that traffic has to be carried up two very steep grades to-day at a much greater cost of operation than would be the case if the traffic went by the shorter line of railway built by Sir Chas. Tupper, in 1887, for the avowed purpose of improving the conditions which have always existed and have never been overcome. That line of railway could be utilized with low gradients and proper curvatures and then the freight from the industrial portion of the province could be hauled to the main line and brought to Moncton and other places west at a much less cost than to-day. The figures brought down in response to the inquiry of the hon. member for Guysborough show conclusively the importance of that particular locality as the place where the major portion of the freight for the Intercolonial railway originates. The necessity for immediate action in

regard to the matter is on account of the need for cheaper railway operation which is recognized by the officials. It also exists because there must be a new bridge across Pictou harbour. I would press upon the minister strongly the desirability of taking advantage of the necessity of building the new bridge to erect the new one in such a place that all these difficulties in regard to gradients will be overcome and a condition will arise under which all our freight from eastern Nova Scotia will be hauled more expeditiously and cheaper for the railway. Then, this piece of railway, which was built especially and almost solely for the purpose of giving a shorter haul under better conditions, might be utilized. I am here to ask the minister to carry out the recommendation of his own officials. I hope that in doing so on this occasion they will do the thing right. I am sure that the minister could make no better investment on the Intercolonial railway in regard to cheapening transportation than placing a permanent bridge from Pictou to Pictou landing.

Mr. A. W. CHISHOLM: I understand that the contract for coal awarded to the Inverness Coal company amounts to 39,100 tons. Could the minister tell me how this compares with the quantity awarded to the same company last year?

Mr. REID: I am sorry not to have that to-night, but I will get it.

Mr. A. W. CHISHOLM: It is a pity that the contract was not awarded sooner. The mine is working half time now for the first time in its history. If this contract had been given to them some time ago they might have been able to run full time, but for the first time in the history of the mine they are not able to get orders.

Mr. REID: The Intercolonial railway has been taking coal right along from the coal company without interruption, as they required it. The hon. member will agree that all our railways throughout Canada and the United States have been suffering for the want of business. The receipts are much less.

Mr. A. W. CHISHOLM: I have only the interests of the coal mines in view.

Mr. REID: The railways did not require as much coal, as they have not been running as many trains.

Mr. A. W. CHISHOLM: These contracts are for coal that is to be used afterwards. The Department of Railways and Canals knew quite well the amount of coal they expected to use in the coming season, and if they had awarded these contracts it would have enabled the coal producers in my county to employ their men more than two days a week, which is all they have been able to do of late.

Mr. REID: I shall be glad to get the hon. member the information.

Mr. MACDONALD: The hon. minister was going to say something with reference to the matter I mentioned.

Mr. REID: I have discussed that with the general manager of the Intercolonial, Mr. Gutelius, and he is very strongly in favour of having that work proceeded with at the earliest possible moment. I will take the matter up and see if I can get an item in the Supplementary Estimates for that work. I know the general manager of the Intercolonial railway spoke to Mr. Cochrane about it before he left for Europe, and there is no question about what the feelings of the minister are. I certainly am of the same opinion as Mr. Gutelius and the minister, and I hope we may be able to proceed with the work during the present season.

Mr. SINCLAIR: Before the minister closes, I would like to say a word with reference to the matter brought up by my hon. friend from Antigonish (Mr. W. Chisholm). My constituency is interested in that claim, and I want the minister to know that I am interested in the discussion and would like him to give the matter his careful attention. The chief reason the minister gave in reply—if I understood him correctly—was that the claim was an old one, and that it ought to have been settled by the late Administration. The municipalities were endeavouring to collect this claim from the local Government for a number of years. The local Government through its legislation compelled them to pay for the right of way. The municipalities resisted and the county of Pictou brought up a test case which went against them. They were finally compelled to assess themselves to pay for the right of way. The municipalities naturally felt that their claim was against the local Government of Nova Scotia and they continued to press that claim until a few years ago when the local Government of Nova Scotia consented to an arbitration. The Chief Justice of Canada was chairman of the arbitration board. The claim against the Government of Nova Scotia—not this Government—was argued

before that board and the Chief Justice decided against the municipality, who, now, naturally say that some one ought to pay for this right of way. We contributed against our will. The local Government and the Dominion Government between them have acquired the road which is now part of the Intercolonial railway. The other municipalities along the line of the Intercolonial have all been paid for the right of way but the four municipalities mentioned by my hon. friend have not been paid. Eighty miles of right of way has not been paid for by any one, and that stretch is one of the most profitable portions of the Intercolonial. The municipalities certainly have a moral claim against this Government, if not a legal one. I have given these facts to account for the delay in bringing this claim forward. I think it was only two years ago that the decision was given that the local Government was not liable, and the municipalities are now claiming against this Government on the principle that there must be a remedy somewhere, and if it is not in Nova Scotia they think it is here. I am not going to argue the claim to-night, but I wish to say that it is a matter too important to be brushed aside, and one that should receive the serious consideration of the minister. I would also like to get some information in regard to proposed improvements of the grade of the Intercolonial between Halifax and Moncton. Several schemes were proposed. This matter was discussed last year, and I have no doubt the minister has the information at hand that he may lay before the House before the Intercolonial discussion is concluded. There were two or three proposals: one was that a line should be built by Parrsboro; another for a line across the mountains, and a third proposal was that a northern direction should be taken around by New Glasgow. A good deal of money has been spent in surveys and investigations, but the country has not yet got information as to the policy of the Government in regard to this matter or as to the result of the investigations. If the minister, before Tuesday, when I understand the Railway Estimates are coming up again, would furnish the House with any reports he has on that question, and give us some idea as to the policy of the Government in this matter I should be very glad because a great deal of interest is felt in this question in the province of Nova Scotia and the people are waiting for some statement by the acting minister as to the Government's intentions.

Mr. REID: I remember discussing this matter with the minister when going down to Halifax to see him off. I remember the place too where there is a very heavy grade. The minister had a discussion with Mr. Gutelius at that time, and I know they had in view the reducing of the grade at that place. Mr. Gutelius said they were making surveys with a view to trying to get around it in some way. I will see if they have any information in the department. Of course, the Minister of Railways, if he were here, could explain the whole situation, as he understands it thoroughly. If I have not any information in the department, I will write the minister or telegraph the general manager for information, which will, no doubt, reach us before the end of the session. We will leave some of the Intercolonial items on which to discuss any question in connection with the Intercolonial railway.

Mr. SINCLAIR: If the minister has the engineer's reports, I would like to see them.

Mr. REID: If there is anything in the department I will bring it down on Tuesday; but if I have to communicate with Moncton, the hon. gentleman will understand that it will take a week or two to get the information.

Mr. McKENZIE: I understand from the observations made by the hon. member for Pictou and the answers given by the minister, that general improvements in connection with the Intercolonial in Nova Scotia are in contemplation. In the island of Cape Breton, from which I come, it is particularly important that any general improvements contemplated should have reference to the facilities at the strait of Canso. The enormous traffic between the Dominion of Canada and Newfoundland landed at Sydney comes, of course, by the strait of Canso. Unless better facilities are provided there, I would submit to the minister that whatever improvements he makes in the rest of the road will not give him the results that he might expect. We have only one steamer on the strait of Canso, the Scotia. She is good enough for her size, but she is only one steamer.

Mr. REID: I think another steamer has been purchased.

Mr. McKENZIE: I am very glad to hear that.

Mr. REID: The contract has been let for a new steamer.

Mr. McKENZIE: That is not so good as the first statement of the minister, but it is well to know the contract has been let. I presume the new steamer will be of equal capacity with the Scotia, which is a very good boat.

Mr. REID: She is much larger.

Mr. McKENZIE: That is still better. When you are building for the strait of Canso you are building for Newfoundland, because although possibly there is no obligation on us to build for Newfoundland, yet for the purpose of bringing traffic to the Intercolonial railway it is just as well to do so. It has been said that a bridge over the strait of Canso is quite feasible, and if my hon. friend should continue to be Minister of Railways——

Mr. REID: I hope not.

Mr. McKENZIE: If he should continue to be Minister of Railways a monument to his memory would be a bridge over the strait of Canso.

Mr. REID: If I should continue to be Minister of Railways I would have a monument sooner than that.

Mr. McKENZIE: The bridge over the Grand Narrows is a monument to the memory of the late Sir John Macdonald. At one time it was thought that Cape Breton would forever be handicapped with a ferry across the Grand Narrows, but in 1888 we had the honour of a visit from Sir John Macdonald, then Prime Minister, who having seen the situation there, decided to bridge the Grand Narrows, which has been a vast advantage to the Intercolonial and to all that part of Canada. Some years ago an Act was passed by this Parliament constituting a private company to bridge the strait of Canso, and a very eminent engineer who was in the service of that company pronounced that it was quite feasible to do so. If it was feasible for a private company, much more would it be for the Government of Canada. It would certainly be a great thing for the island of Cape Breton and for the whole of Canada. I wish that the minister, when he is looking to betterment of the conditions of the Intercolonial railway, would make inquiry as to whether a bridge should not be built across the strait of Canso.

[Mr. J. D. Reid.]

There is another matter to which I wish to call the attention of the minister. The hon. gentleman pointed out to the member for Antigonish (Mr. Chisholm) that he is possibly too late now in making a claim for a refund to these municipalities on account of the right-of-way, and so I want to guard against being too late by now making a claim somewhat akin to that which the hon. member for Antigonish has made. There is a diversion of the Intercolonial in the island of Cape Breton, known as the Georges river, Little Bras D'Or, Sydney Mines and North Sydney diversion. I congratulate the Government on putting the road now where it should have been put thirty-five years ago when it was first built, but by this diversion they are abandoning about five miles of the present road between North Sydney Junction and the town of North Sydney, and for which five miles the right-of-way was paid for by the town of North Sydney when the road was built in 1888. Now that the Government is abandoning that five miles of road, and that it is not to be put to the use for which the town of North Sydney bought the right-of-way, the municipality should be put in the position in which it was before, and the money it paid for the right-of-way refunded to it. That diversion is not yet completed, and this five miles is still in operation, so that the contention cannot be raised that the claim was made too late. I give notice to the minister now that when the five miles is abandoned the town of Sydney will expect to be recouped for their investment in that right of way.

Mr. REID: The diversion is not yet constructed and the five miles will have to be operated for some time yet, so that the question could not come up during the present session. I will draw the attention of the Minister of Railways to the statement of my hon. friend.

Progress reported.

In motion of Mr. Reid, the House adjourned at 10.25 p.m.

Monday, May 4, 1914.

The House met at Three o'clock, the Speaker in the Chair.

THE CANADIAN NORTHERN RAILWAY.

Sir WILFRID LAURIER: In reference to the resolutions with regard to the Cana-

dian Northern railway, the business of the House would be facilitated if my right hon. friend the Prime Minister could lay on the table at as early a date as possible the correspondence which must have preceded the resolutions. It is stated in the preamble of these resolutions that the constituent and subsidiary companies are desirous that aid should be given. Therefore there must be petitions, letters or correspondence in the possession of my right hon. friend manifesting their desire. It is stated also in the first section of the resolutions that the stock of all these constituent and subsidiary companies is owned or controlled by the Canadian Northern Railway Company. It would be of advantage and interest to know what are the companies the stock of which is owned and controlled by the Canadian Northern. Then, there are some other matters as to which we should have some information; for instance: what are the liabilities of each one of these companies mentioned in the first part of the second schedule of the resolutions? Another very important question is, when and in what way was the $3,000,000 worth of stock in the Canadian Northern Alberta transferred so that it might be available for the present purposes of the resolutions?

Mr. BORDEN: I shall expedite the matter as much as possible. I am not sure if there is any correspondence to be brought down. The other details that my right hon. friend has mentioned can, I think, be attended to without much delay.

Mr. A. K. MACLEAN: Will the statement which my right hon. friend purposes bringing down show the gross earnings of the constituent and subsidiary companies?

Mr. BORDEN: I am not sure about that. With the consent of the House, I lay upon the table the following documents:

1. Four copies of the trust deed, dated June 30, 1903, between the Canadian Northern Railway Company and the British Empire Trust Company and the National Trust Company, Limited;

2. Four copies of the trust deed, dated May 6, 1910, between the Canadian Northern Railway Company and the British Empire Trust Company and the National Trust Company, Limited;

3. Three copies of the trust deed, dated November 19, 1913, between the Canadian Northern Railway Company, Mackenzie, Mann and Company, Limited, and the British Empire Trust Company and the National Trust Company, Limited;

4. Four copies of a statement showing the floating liabilities of the railway companies embraced in the general title of the Canadian Northern Railway system.

5. Four copies of a statement of securities pledged as collateral to temporary loans of the Canadian Northern Railway system.

6. Four copies of a statement showing the engineer's estimate of the cost of completing the Canadian Northern Railway system.

THE FARMERS BANK.

Mr. A. K. MACLEAN: Would my hon. friend the Minister of Finance (Mr. White) lay on the table of the House a statement showing the deposits of the Farmers Bank on the 31st day of September, 1906, 1907, 1908, 1909 and 1910, distinguishing between deposits subject to call and otherwise.

Mr. W. T. WHITE: Only to-day I received a list of the depositors of the Farmers Bank, which is very lengthy. Unless my hon. friend has some special object in view in distinguishing the different years, I should think the statement I have received would meet his requirements. The statement which he is now asking for would entail very considerable work upon the liquidator.

Mr. MACLEAN: I do not think that it would entail much work, and it is rather important to have it. I thought that the annual statements made by the bank to the Finance Department would be available, and that without very much work to the department that information could be obtained. Possibly it might be obtained by going through the Canada Gazette.

Mr. WHITE: Is my hon. friend referring to the depositors or to the shareholders?

Mr. MACLEAN: The depositors—the amount on deposit at the end of each year beginning with the year of incorporation, 1906.

Mr. WHITE: Does my hon. friend mean a detailed list, or just the amount?

Mr. MACLEAN: No, just the amount.

Mr. WHITE: I have misunderstood my hon. friend; I will have the pleasure in getting the information he requires.

BUSINESS OF THE SESSION.

Mr. BORDEN: My right hon. friend (Sir Wilfrid Laurier) made inquiry a week or

more ago in regard to the legislation which was under consideration and which would probably be brought down this session. I think I can give him the information asked for in a fairly definite way. The Minister of Marine and Fisheries purposes to bring down a Bill respecting the Grading and Inspection of Pickled Fish. The Minister of Justice hopes that there will be a report from the Committee on Elections which will result in a Bill to amend in very important particulars the Controverted Elections Act. It will probably be necessary to make some provision with regard to the lists for elections under the Canada Temperance Act, as that Act has apparently not been taken into consideration in the preparation of the Electoral Franchise Act. Any such legislation will not, I think, be of a controversial character The Minister of Justice has in mind a Bill to amend the Criminal Code, not I think in any very important respect. The Minister of Finance has in hand a Bill to Amend and Consolidate the Civil Service Acts, and a Bill to Provide for the Superannuation of Civil Servants. These Bills will be introduced, and it will depend upon the length of time which they are likely to occupy as to whether or not they will be put through at the present session. We are not desirous of hurrying them through, as we are anxious that they should have the best consideration of the House and of the Senate. The Minister of Finance intends also to introduce a Bill respecting co-operative credit banks. There are also two minor Bills, one to amend the Dominion Notes Act, and the other to amend the Quebec Battlefields Commission Act, which the Minister of Finance has in hand. The Minister of Public Works will introduce a Bill to amend the Drydock Subsidies Act. The acting Minister of Railways and Canals informs me that it will be necessary to introduce a Bill confirming an agreement between the Grand Trunk Pacific Railway company, the Canadian Northern Railway Company and the Crown respecting the entrance to the Winnipeg terminals, as it appears that there is some agreement which will require the confirmation of Parliament. The acting Minister of Railways and Canals will also introduce a Bill respecting bridges over the St. John river, which has already been the subject of some discussion in this House. The Secretary of State has had in hand for some time past a Bill respecting the storage and handling of explosives founded more or less upon a Bill introduced by Mr. Templeman. The question of federal rights and provincial rights has been under consideration in connection with that Bill; otherwise it would have been introduced at an earlier date. It has been found necessary to have communication and correspondence with the provincial Governments in regard to it. The Secretary of States has also in hand a Bill amending the Joint Stock Companies Act. There may be one or two other matters of which I shall speak to my right hon. friend, but of which I am not sure at the moment. These Bills and what there is already on the Order Paper constitute the programme of the Government.

Sir WILFRID LAURIER: This is the 4th of May, and if we are to take up the programme which my right hon. friend has already laid before us and the legislation still to be introduced by the Government, we need not look forward to prorogation for some time to come. Some of the legislation mentioned by my right hon. friend is not of a very heavy character; but some of the Bills are important, such as those respecting the Civil Service. I presume these can be introduced this session, and if they cannot be taken up before prorogation, they will be before the public and the public will have the advantage of knowing the intention of the Government respecting that very important legislation. With regard to the other matters, they do not seem to be of a very contentious character. Pickled fish will not give very much trouble. As to my hon. friend the Minister of Public Works, when he brings in his Bill he can tell us about the Georgian Bay canal and the French river.

Mr. EMMERSON: Might I ask the Minister of Finance whether or not the legislation regarding the Quebec Battlefields Commission is to have any reference to the old forts in the Maritime provinces? That subject was brought to his attention at the last session of Parliament; and I think assurances were given, if not by himself by other members of the Government, to the effect that some action would be taken. A letter reached me this morning inquiring with respect to this matter, and I hope that some attention will be given to it. These old forts are decaying day by day, and some of them will be beyond all recognition very shortly if some action is not taken. I refer to Fort Beausejour, now known as Fort Cumberland, Fort Monkton, and several others. Hon. members from the Maritime provinces section of the country will be familiar with them.

Mr. W. T. WHITE: The matter has been under consideration, but it has not yet been decided definitely whether or not the work of preservation that my hon. friend has in view will be committed to the Quebec Battlefields Commission. When I bring down the Bill to amend the Quebec Battlefields Commission Act, which has been delayed because I have in contemplation some amendments, I shall be able to give a more definite answer to my hon. friend.

INSURANCE ACT AMENDMENT.

On the Orders of the Day being called:

Mr. GRAHAM: May I ask the hon. Minister of Finance when he intends going on with his Insurance Bill, which is a very important one? I have been receiving many inquiries with regard to this Bill, which will affect in a material way the investments of insurance companies, who are very anxious to know what, if anything, is to be done this session with regard to it.

Mr. WHITE: There are two or three sections of the Bill, one relating to the matter which my hon. friend has in view, which I think will require very careful consideration before being enacted into law. It is probable that I may allow the Bill to stand in order that they may receive during the recess further consideration in the light of all the facts that may be presented to me as having a bearing upon them. Legislation of that character should not be pressed. When I introduced the Bill I had copies sent to the various insurance companies in order that all possible objections might be brought to my attention. It is probable that the Bill will not be proceeded with this session; but, if I decide otherwise, I will give my hon. friend ample notice.

MADOC BANK FAILURE.

On the Orders of the Day being called:

Mr. LEMIEUX: May I ask the hon. Minister of Finance if he is aware that another bank has lately failed at Belleville, Ontario, and if it is his intention to reimburse the depositors of that bank?

Mr. WHITE: My hon. friend no doubt refers to a private bank—the Madoc Bank?

Mr. LEMIEUX: Yes.

Mr. WHITE: The answer is that the Government has no intention of reimbursing the depositors, there being no ground upon which the Government can be held liable.

THE MILITIA ESTIMATES.

Mr. MICHAEL CLARK: Mr. Speaker, I observe that the Minister of Militia (Mr. Hughes) is in his place. Therefore, I desire to say that I received from him—it appears to me some weeks ago—a somewhat formal missive, signed with his own hand, asking me to be present in the Chamber at an early day when he was going to introduce his Estimates. May I ask him if he has gone back on that intention, and when we may expect his Estimates to be taken up for discussion?

Mr. SAM. HUGHES: The letter was signed with my own hand, Mr. Speaker; I never use a rubber stamp when writing to a member of Parliament. I wish other hon. gentlemen would observe a similar rule. But to come down to the point at issue, I may say that I have been waiting most patiently to enlighten my hon. friend and others who need enlightenment, and to instruct them generally in regard to matters of the Militia Department. But other matters have been on the list in advance, and I have been reluctantly compelled to delay the bringing forward of my Estimates. I hope, however, that by Thursday, if nothing goes wrong, I shall be able to claim the attention of hon. members with my Estimates. I am sure that I shall have a very ardent supporter in my hon. friend. I may say that my reason for sending out the invitation was that there were a number of gentlemen who, I knew, were anxious to be here, and who, fearing that my Estimates might be held up until the last day, were getting rather uneasy, and so I thought I would intimate to them that I would bring these Estimates forward as early as possible.

Mr. GRAHAM: The threat will be carried out on Thursday?

Mr. HUGHES: I will do my best.

Mr. BELAND: Will street clothes be allowed?

Mr. HUGHES: So long as my hon. friend is clothed and in his right mind, that is all I ask.

PRIVATE BILLS.

TORONTO, NIAGARA AND WESTERN RAILWAY COMPANY.

The House again in Committee on Bill No. 59, respecting the Toronto, Niagara and Western Railway Company.—Mr. Currie. Mr. Blain in the Chair.

On section 1—short title:

Mr. LANCASTER: With regard to this Bill, I think an explanation is due the committee. This is an ordinary extension of time for the construction of a railway which has made considerable progress with its work and has spent a good deal of money. In the Railway Committee several sections were added. One of these sections, I regret to say, I shall feel it my duty to ask the House to strike out, notwithstanding that it was inserted by the committee. The Bill was reprinted as reported by the committee, and the section whose excision I shall move is section 7 of reprint. Let me briefly explain the sections. Section 1 is the ordinary section. In section 2, we made an amendment to rectify an incorrect description of the authority controlling Burlington Beach. The section provided that railway should not be built along the beach without the consent of the corporation of the township of Saltfleet. But Burlington Beach is not under the control of the township of Saltfleet but under the control of the Burlington Beach Commission, that commission receiving its authority from the Provincial Legislature of Ontario. Section 3 enacts the ordinary limitations—two years to commence and three years to complete the unfinished portions. Section 4 of the reprint has been added by the committee. This was done at my instance and was carried unanimously. The effect is to repeal section 10 of the statute of 1903. That section permitted a part of this railway to remain under the jurisdiction of the provincial legislature, notwithstanding that we were declaring the whole work to be for the general advantage of Canada. It struck me, and the committee agreed with me unanimously, that to expect the Dominion Railway Commission to control a railway, a portion of which was outside of their control and under the control of a provincial legislature, was incongruous. Sections 5, 6, and 7 were inserted at the instance of the hon. member for South Toronto (Mr. Macdonell). It is with regard to one of these sections that I intend to move. But I ask the committee not to dispose of my motion at this time. I am informed that the hon. member for South Toronto has telegraphed that it is impossible for him to be here to-day, and as it is a section inserted at his instance that I am moving to strike out, in fairness to him I think this committee should hear what he has to say before acting upon my motion. I will present my explanation of the case now, because, reluctantly, and much against my will—but I am bound to obey my doctor's advice—I am unable to be here to-morrow. The condition of my health compels me to get away and not annoy you gentlemen longer, much as I should like to continue.

As to these three sections, I must admit to this House that I do not think I am entirely without blame for the mistake—as I believe it to have been—that the committee made in regard to one of these sections. I have always found this House quite unduly inclined, as I think, to have respect for what I do as Chairman of the Railway Committee. So I am not going to leave here without stating frankly the position with regard to this section. The hon. member for South Toronto (Mr. Macdonell) moved three sections in one paper. Where I am to blame, I think, is in not having insisted that these sections should be separated and put before the committee one by one. I am satisfied that had this been done, the one to which I shall raise objection would not have carried—that is only my opinion, of course, and I have no right to say more than enough to make myself clear. These three sections are aimed at protecting the rights of the city of Toronto in regard to street railway franchise.

They are aimed at preventing any railway from coming into Toronto and interfering with the valuable street railway franchises of that city. Sections 5 and 6 are, in my opinion, quite proper for that purpose. I think section 5 as reprinted is waste paper, because, as I understand the Railway Act, the Railway Commission has exactly the same power as section 5 provides that they shall exercise with regard to preventing any railway from interfering with the street railway franchises of the city of Toronto. Section 6, however, is of some use to the city of Toronto, and I am in favour of it in so far as it provides for the protection of urban rights by preventing a railway from coming into the city under the guise of being a work for the general advantage of Canada, but having in view only the object of doing a purely street railway business. Section 6 of the reprinted Bill is as follows:

> Neither the company nor any other company that may acquire or have the right to run over the line of the company within the city of Toronto shall receive, carry or discharge passengers from any point within the limits of the said city to any other point within the limits of the said city; but the powers for the carriage of passenger traffic that may be exercised

by the company or by any other company over the line of the company within the limits of the said city, shall only extend to and include the receiving, forwarding and delivering of through passenger traffic originating outside the limits of the said city for delivery within the limits of the said city, or originating within the limits of the said city for delivery outside the limits of the said city.

Section 7 of the reprint is a peculiarly worded section. The only argument used in the Railway Committee in support of that section was that similar sections were inserted in three other Bills three or four years ago by this House. These were new companies seeking incorporation; they were companies that had done nothing; had no vested rights, had built no part of their right of way and had spent no money. The Hamilton, Waterloo and Guelph Railway Act is chapter 108 of the Statutes of 1910; the Western Central is chapter 150 of the Statutes of 1911, and the Toronto and Eastern railway is chapter 167 of the Statutes of 1910. Two of these railways were taken over from the province without anything having been done and one was granted a charter by original Act of this House. Nothing had been done when those clauses were inserted; they were given their franchise upon the express condition set forth in those clauses, and upon no other. I do not think it makes any difference in the year 1914 what my opinion was in the year 1910 or 1911, but at that time I was of the opinion that this very section which I am attacking was not a provision which should go into a Dominion railway corporation Act, because we have a tribunal —to which we have given ample jurisdiction and to which we keep adding every jurisdiction that may possibly be necessary —in the Board of Railway Commissioners of Canada, which properly and successfully deals with the question of railway crossings. The difference, however, between those three Acts and the one under consideration —this, I think, is where the Railway Committee made a mistake; and I take my share of the blame for not having emphasized the point by putting these three sections separately instead of in one, as I did in the Railway Committee upon the motion of the hon. member for South Toronto—the difference is that vested rights do exist in regard to this railway company, but this section puts upon them an embargo in regard to their entering the city of Toronto. What is it that I call the embargo? It is that the mayor and aldermen of the city of Toronto, and they alone, can decide that this railway may cross upon the level of any of the highways in the city of Toronto, notwithstanding that the Board of Railway Commissioners might decide that this railway and others should cross upon the level in one place until a viaduct or underground passage should be constructed. Notwithstanding what the Railway Commission might do in regard to any other railway, the mayor and aldermen of the city of Toronto can permit this railway to run across the streets of the city, upon the highway level. This simply means that any dispute between the railway and the city of Toronto will be decided by the mayor and aldermen of that city. On first principles it would strike me that this provision is absolutely wrong. It is classed as a safeguard for the city of Toronto. It certainly is a safeguard for the city of Toronto, but the trouble is that it is much more than a safeguard. It is somewhat the sort of safeguard which would exist if the provincial Government would pass an Act providing that no lawyer should practise in the city of St. Catharines without my consent. That is a safeguard to me; it protects me wonderfully well, and gives me great power, I dare say, in the city of St. Catharines, but is it the sort of safeguard that I should have? Having regard to a provincially chartered railway coming in contact at the outskirts of the city with a railway which is chartered by Dominion legislation, should the city of Toronto decide whether that Dominion railway should or should not cross its streets? Hon. gentlemen should bear in mind the fact that this Bill, like all other Bills that pass the Railway Committee, contains a full protection to the city of Toronto in that its streets cannot be used for any right of way; that railways cannot be built along or upon any highway level. But authority for these railways to cross must be given by the absolute power and plenary jurisdiction of the Dominion Parliament, else we cannot be sure that any railway can build from one part of Canada to another. There must be authority here to decide, in the interests of Canada, upon what terms those railways shall cross highway levels, whether the city concerned be Toronto, Hamilton, Winnipeg, Calgary, Montreal or any other, because they must cross in order to get from one place to another. The power absolutely to prevent building upon and across highways for right of way purposes is, of course, a very different thing.

I said that this railway had vested rights; let me point out what they are. As I say,

the companies, in the legislation respecting which these provisions were put in, in 1910 and 1911, had done nothing. They have attempted to do nothing; and they tell me they will not attempt to do anything because of the embargo which the city of Toronto has against them whereby they cannot possibly enter that city without the consent of the mayor and aldermen. From these facts hon. gentlemen can draw their own inferences: during the course of three years these three railway companies have attempted to do nothing under their franchises. But the history of this particular Bill is very different. In 1903 the company was incorporated under the name of the Toronto and Hamilton Railway Company. It was then a line from Toronto to Hamilton and the company were authorized to acquire by purchase, lease or otherwise all the rights, powers, stocks and everything else of certain other railways, including the Toronto and Suburban Railway Company, not under the ordinary provisions allowing amalgamation, as provided by sections 361, et sequentia, of the Railway Act, but under special provision to buy up the stock and acquire the franchises of these three railways, including the Toronto Suburban. They went ahead and did so. In 1904 an extension was authorized and in 1906 its name was changed to the Toronto, Niagara and Western Railway, which is its present name. The company were authorized to extend their lines to other places, which I need not mention, to increase their capital stock to $6,000,000 and to buy up holus bolus, as I have said, and acquire absolutely these other companies.

The railway then proceeded. They went first to the Minister of Railways and got their route map approved. Then they went to the Board of Railway Commissioners, and as soon as the matter came before the Railway Committee, realizing its importance, I obtained from the board the record of what took place. I should tell the committee that in 1909 we recognized that the railway had partially constructed their road and obtained permission to complete within five years. It was admitted by Parliament that they had commenced their construction and had spent more than 15 per cent and all they required was not time to commence but time to complete. We gave an extension of five years from 1909 which will run out this year. The next year they went to the Railway Commission and applied for permission to cross these twenty-five different streets in the outskirts of the city of Toronto, where the Canadian Pacific railway and other railways are crossing the streets upon the level of the highway; and for the convenience of the public, and I suppose for the purpose of getting the ear and sympathy of the commission, they built their track right alongside the Canadian Pacific railway, so that in making their crossing upon the highways at grade level they crossed at exactly the same places as the Canadian Pacific railway had crossed for some years and is still crossing. The board heard the matter, and I shall read briefly from the proceedings on the 28th of January, 1910. Mr. Johnston, city solicitor of the city of Toronto, said:

> If the board thinks that the entrance should be allowed, then it should be on conditions, that they should provide protection if required, or there should be a condition in the order that if the Canadian Pacific Railway tracks are elevated further west, they should go up on the elevation also. I think with that perhaps the city would be satisfied.
>
> Hon. Mr. Mabee: Is that agreeable?

Mr. Royce, counsel for the railway made some remarks upon the point, I suppose not wanting to give in too easily, and then the order was pronounced by the chairman in these words:

> One order may go in these twenty-five applications. I think one order will cover the whole of them. They may all be consolidated and one order issued in these terms. Authority given to applicants to construct across the streets mentioned, subject to the following conditions:
>
> 1. That if the tracks of the Canadian Pacific railway are at any future time elevated, then the tracks of the applicants shall be likewise elevated along the course of the line where the right of way lie adjacent to each other, upon such terms as the board may direct.
>
> 2. Protection to be provided at such crossings as the chief engineer of the board may require before the road is opened for traffic, and if protection is recommended at crossings that any other road is interested in, then the apportionment of the cost of such protection is reserved.

Hon. gentlemen who are familiar with the Railway Act and the way we have struggled for the last fourteen years in this House—I speak only of the time during which I have been a member—will see the practical result of legislation that was passed here in 1909 for the very purpose of causing the least injury to be done to the fewest possible number of people and the greatest good to be done to the general public by allowing railways to enter into every city and town at the least possible inconvenience and risk of life and property. Here the board, in its jurisdiction,

makes the sensible order that as the Canadian Pacific railway is now crossing these streets on the level, the Toronto, Niagara and Western railway may run beside it, but that when the Canadian Pacific railway is compelled to raise its tracks, the Toronto, Niagara and Western railway must not use the permission granted to them as a ground for claiming that its tracks should not be elevated. We know that the Railway Act gives ample power to the Board of Railway Commissioners to adjust in a fair and equitable way the cost of such elevations. Under the Act, as this railway was not constructed before 1909, the whole cost of the elevation must fall on the railway itself. That is the amendment of 1909, that a railway not then constructed, when required by the Board of Railway Commissioners to get off the level, must bear the whole cost; whereas vested rights were recognized in railways already constructed by apportioning the cost of abolishing the level crossing between the grade crossing fund, the municipality and the railway. So Toronto is quite clear from any responsibility for the cost of elevation, and the Board of Railway Commissioners have done what I would expect them to do, they have looked ahead and made the most wise order they could. They have said to the Toronto, Niagara and Western, you may run on this highway as long as the Canadian Pacific Railway is doing so, you are right alongside the Canadian Pacific railway and are creating no additional danger; but the permission that is now granted you is not to be used in future as a ground for claiming a right to continue to run on the level, and you must elevate your tracks at your own expense, under the statute of 1909, as soon as we require the Canadian Pacific railway tracks to be elevated. Under a former order of the board of December 17, 1909, the railway had acquired the right of entry into the city of Toronto, a distance of two and a half miles. They asserted, and hon. gentlemen from Toronto did not dispute, that they bought every inch of that right of way for two and a half miles under that order. They have paid some money for right of way to the city of Toronto itself. We are now asked to drastically interfere with them after they have bought that right of way and expended $1,500,000 in buying the right of way into the city of Toronto and in building towards the city of Guelph. They asserted, and gentlemen from that locality agreed, that they had acquired the right of way and had graded it almost the whole of the distance from Toronto to Guelph. I was accused by a former Minister of Railways, who many years since went to his last rest, that I was a socialist and radical because I wanted to amend the Railway Act against the vested interests of the railway companies. With what little common sense I have left I must press upon the House that there are vested rights in this case; the railway company have spent one and a quarter millions of dollars in acquiring a right of way, have graded it and prepared it for the rails, and it does seem to me that, where they are simply asking for an extension of five years in which to complete construction, it would be bad legislation to refuse their request. We are incorporating railways for the advantage of Canada. That means that we must give them some power to exercise properly, and, under proper authority, to proceed into or through any city or town, from Halifax to Vancouver, or else our charters are waste paper. If the city of Toronto has sections of this kind put in with regard to a railway which we take care to say by the other clauses of the Bill shall not do a street railway business, any ordinary Dominion railway can be held up—if you wish to use that term—by the city of Toronto, and we should have the Board of Railway Commissioners dethroned as to their power to decide whether, under any circumstances, a railway should go in on the level of the highway. If we do that with Toronto we shall soon have to do it with Winnipeg, Hamilton, Montreal and every other city. We can not say that the city of Toronto is to have certain powers in regard to railways going into that city and at the same time allow the rest of the cities of the Dominion to be at the mercy—if you want to use that word, but I would prefer the word 'justice'—of the Board of Railway Commissioners. With that statement I leave the matter with the House. There are a lot of elaborations that could be made, but I shall not deal with them now, but, as I leave to-morrow, I do not want to go away without expressing my opinion on this matter for what it is worth. The House, with undue kindness, as I said at the outset, pays too much respect to my work as Chairman of the Railway Committee. Feeling as I do that my physical condition will not allow me to stand on my feet any longer, I will ask the House to be contented with the statement I have made, although I may be able to

answer some questions from my seat. I move to strike out section 7 of the Bill as reprinted.

Mr. GRAHAM: As I understand it, the Bill was taken up not for final action but to allow the Chairman of the Railway Committee to make a statement concerning it, and to make his motion to strike out certain clauses which he thinks are objectionable. I think I am expressing the unanimous feeling of the House when I say that we deeply regret the indisposition of the Chairman of the Railway Committee. For some years I was ever in attendance on that committee, and among those who were seldom, if ever, absent was the hon. gentleman now chairman of that committee. Whatever his views were, he always expressed them fearlessly, and I think I am absolutely correct in saying that in no instance did he ever introduce partisanship into a discussion of any measures before that committee. Those with whom I am more intimately acquainted are unanimous in their approval of his conduct as chairman. He has fully maintained the high standard set by his predecessors in that important position, because, Sir, it is an important position. The Chairman of the Railway Committee, perhaps the largest and one of the most important, if not the most important, committees of the House, sometimes has a very difficult and delicate task to perform. Just before he leaves the House to take a much-needed rest I wish to take this opportunity of expressing what I am sure is the feeling of every member of the House, that his work is fully appreciated by the House and, I trust, by the country. If I have any chiding to do, it is that the hon. gentleman has remained at his post so long as he has. It is an example of devotion to duty in the Dominion which certainly rivets the attention of the members of this House and of the people of Canada, especially valuable at this time when there are so many people prone to intimate that men in public life are merely there for some sinister purpose, and are not sincere in their professed devotion to duty. I think it will not be disputed that the hon. member for Lincoln (Mr. Lancaster) would not have devoted to his private business the attention he has given to the public business of this House during the past few weeks. He has stuck to his post longer than he should have, and our earnest hope is that after a much-needed rest he will return to his domestic enjoyments fully restored to health.

The Bill which he has discussed this afternoon with such clearness has a delicate side to it, and is one that cannot be disposed of offhand. Those of us who were not in the committee, perhaps do not understand the situation as clearly as we shall when the hon. member for South Toronto (Mr. Macdonell) has given his views. For myself, I am almost egotistical enough to think I understand it as it is a twin brother to several others with which I have had to deal. The city of Toronto, like all large centres of population, has its difficulties and problems to solve. Sometimes I think its representatives endeavour to solve them perhaps too strictly along the lines of local views and without the widest outlook on the transportation problems of the Dominion—but it is not my purpose to criticise. We have had the statement of the Chairman of the Railway Committee and I think we should not put him to any more work answering questions. We shall be able to give his argument full weight when the matter comes up for final action, and I would now suggest that we report progress to discuss this matter at another time.

4. p.m.

Mr. GUTHRIE: Before the proposal is put, I would like to say that only one hour is allowed for private Bills to-morrow night, and this one may provoke considerable discussion. The Bill affects very considerably the counties of Halton, Waterloo, Perth, Wentworth, Peel, Wellington, and several other counties; and the position is a very peculiar one. I want to endorse as strongly as I can the motion of the Chairman of the Railway Committee that clause 7 be stricken out. The railway has now been graded from the westerly limit of Toronto to and through Guelph, a distance of fifty miles. It has also been surveyed, and the right of way purchased, on to Berlin. In some places steel has been laid. A large amount of money has been spent on the project, but the whole thing will be worthless unless we can get an entrance into the city of Toronto. Going home during the present session, I have been asked time and again how this matter stood; and while I agree that the city of Toronto should have reasonable protection for its streets, in this instance we can make out a case of proprietary or vested rights. I hope when the Bill comes up again we shall have a free and full discussion as the people outside

Toronto desire an entrance into that city. To my mind, Toronto has no right to deny that entrance.

Mr. J. D. REID: I would move that the committee rise and report progress.

Mr. LANCASTER: I might give a word or two of explanation in regard to three or four other sections of the Bill, unless the committee choose to pass them on my statement that they are all right. The other sections are the standard municipal clauses adjusted to this Bill so as to give the city of Toronto, and every other municipality, ample protection of their highways against telegraph and telephone lines, lines for the purpose of distributing electrical energy, and things of that kind.

Progress reported.

PATENT OF RUDOLF GOLDSCHMIDT.

The House again in Committee on Bill No. 135, respecting a certain patent of Rudolf Goldschmidt.—Mr. Fripp. Mr. Blain in the Chair.

On section 1—authority for variation of conditions as to manufacture, etc., in Canada:

Mr. BURRELL: The Bill deals with the patent of an invention with regard to wireless telegraphy. It was not put under the compulsory provision clause of the Patent Act, and the patent was allowed to lapse in February, 1912. It has taken a great many years to perfect this invention and to bring it up to the point at which it can be usefully employed. A large amount of money has been spent upon it, and they have now got it to the point where it can be practically exploited all over the world. The Bill received a good deal of consideration in the Senate, and the Senate came to the conclusion that the patent should be put under the compulsory clause of the Patent Act. The Bill was held up for a time because the patent is associated more or less with the Marconi patents with regard to wireless telegraphy. The Government has the right to use those patents, and we were not sure whether this particular patent was to be exempted from the privilege of the Government use. Consequently, the department took objection. That objection has been removed because the parties have agreed that it comes under the general list of Marconi patents and that the Government has the right to use it. As far as the Department of Agriculture and the Department of Marine and Fisheries are concerned, they have no objection to the Bill.

Bill reported, read the third time and passed.

FREDERICTON AND GRAND LAKE COAL AND RAILWAY COMPANY.

The House in Committee on Bill No. 107, respecting the Fredericton and Grand Lake Coal and Railway Company and the Canadian Pacific Railway Company.—Mr. Fowler.

On section 1—declaratory:

Mr. LANCASTER: This Bill has been entirely recast. It was introduced apparently with an entirely wrong conception of the legislation that was required for the purpose desired. They introduced a Bill asking us to declare a certain provincial railway in New Brunswick to be a work for the general advantage of Canada and then to allow them to amalgamate with another railway under section 361 of the Railway Act. It struck me at once that there must be some reason why we should take away a franchise from the province of New Brunswick, and a most peculiar franchise it is, too, and make Dominion legislation of a private Act of the New Brunswick Legislature, the like of which I never saw, in a great many respects, in any Dominion legislation. I said to the promoters of the Bill: You must either try to make the Bill contain such a power as we would want you to have, or tell me frankly what you want. It seems that all they wanted to do was to make an amalgamation of the lines under section 361 and the following sections of the Railway Act; so I had the Bill recast. The effect simply is that we strike out the clause taking that railway over and making it a work for the general advantage of Canada and permitting the railway, of whose rights we are the custodians and over whom we must exercise control, that is the Canadian Pacific railway, to take a lease under the amalgamation clauses of the Railway Act.

Mr. GRAHAM: As I understand, whatever powers this company has, it gets from the New Brunswick Legislature?

Mr. LANCASTER: Yes.

Mr. GRAHAM: The Legislature can give it whatever powers it likes. As far as we are concerned, we give the Canadian Pacific Railway Company power to carry out its share of the bargain which this other company wishes to make.

Mr. LANCASTER: Yes, and the other company must get its power from its own authority.

Mr. EMMERSON: Does that bring it under the jurisdiction of the Railway Commission?

Mr. LANCASTER: The Railway Commission will have to sanction the lease under the provision of section 361 and following sections of the Railway Act. We say that the Railway Commission may grant such a lease if they comply with the Act. But, of course, as the hon. member for Renfrew (Mr. Graham) says, the lease is no good on the part of the lessors unless their own guardian, the New Brunswick Legislature, permit them to make it.

Mr. EMMERSON: I would like to know whether, under the proposed legislation, this company is brought under the jurisdiction of the Railway Commission of Canada. I understand the company has been incorporated under the laws of New Brunswick. The railway was constructed, it has since been leased by the Canadian Pacific railway, and the Canadian Pacific railway now want some legislation in respect to the company. I fancy they propose operating it under the name of the Fredericton and Grand Lake Coal and Railway Company. In reality they will be the operators. Does this legislation enable the Board of Railway Commissioners to have control of the rates which are to prevail on this road?

Mr. LANCASTER In my opinion, under the provision, it does. The Railway Act is quite clear on that point.

Mr. GRAHAM: I think the company is under the Act and not under the board.

Mr. EMMERSON: It is a matter of very great importance that this railway should be operated under the jurisdiction of the Board of Railway Commissioners.

Mr. LANCASTER: That is what the Canadian Pacific railway thinks in agreeing to this section.

Mr. EMMERSON: It is a coal road running in connection with the coal mines in the county of Queens. It connects with another railway formerly known as the Central of New Brunswick, which in its turn connects with the Intercolonial at Norton in Kings county. The system will now extend from Norton on the Intercolonial through Chipman on to Minto, thence to Fredericton. I was not in the Railway Committee the day the Bill was under consideration, and I would like to have some assurance that this railway will come under the jurisdiction of the Board of Railway Commissioners.

Mr. LANCASTER: The only assurance I can give my hon. friend is my opinion, which is not given ex cathedra at all, but it was also the opinion of the Canadian Pacific railway in promoting this Bill. The Canadian Pacific Railway Company cannot obtain a lease until they get permission. When they get permission they make a lease and take it to the Board of Railway Commissioners, which, under sections 361, 362 and so on of the Railway Act, has the power to say that in its opinion this is a proper lease for the Canadian Pacific railway to take from this company. In my humble opinion—and I am fortified by decisions as well as by the actual language of the Act—the moment a Dominion railway operates trains over the lines of another railway, under a lease or otherwise, it comes under the control of the Board of Railway Commissioners.

Mr. EMMERSON: Supposing the Canadian Pacific Railway Company continued to operate this road under the name of the Fredericton and Grand Lake Coal and Railway Company, and the name of the Canadian Pacific Railway Company did not appear openly in connection with the traffic, in what way could the Board of Railway Commissioners have jurisdiction over the freight tariffs that be filed with the Railway Commission by the Fredericton and Grand Lake Coal and Railway Company?

Mr. LANCASTER: Any municipality or anybody interested in that locality would only have to go to the Board of Railway Commissioners and say: You have on record that the Canadian Pacific Railway Company is leasing this road and is running it, and this is Canadian Pacific traffic. On receiving proof of that, the Board of Railway Commissioners would at once have jurisdiction. The board would know that the Canadian Pacific Railway Company was actually operating the road.

Mr. EMMERSON: I do not know whether or not this matter was discussed in the Railway Committee. If it was, I withdraw any opposition. I would be satisfied if the committee, having considered the question, determined that under the lease the opera-

tion of the road came under the jurisdiction of the Board of Railway Commissioners. Possibly my hon. friend is aware of the fact that this point was considered in the committee.

Mr. LANCASTER: I thought I said that. What happened was this: I pointed out, as I said in the beginning, that to ask us to take over the road and make it a work for the general advantage of Canada would be simply ridiculous. The counsel for the Canadian Pacific railway had several conferences with me about the matter. I said: 'What is it you really want to do and I will help you to do it properly? He said: 'We simply want to get a lease under the amalgamating clauses of the Railway Act.' I said. 'If you operate the road, the Board of Railway Commissioners will have control over you.' He wanted to consult his superior counsel at Montreal in regard to the matter. After some correspondence back and forth, they finally agreed to this section. I personally have no doubt in regard to the matter, but I do not want to force my opinion upon the committee. The Canadian Pacific Railway Company believed that in operating this road they will be under the control of the Board of Railway Commissioners.

Mr. GRAHAM: What did the Railway Committee think?

Mr. LANCASTER: They agreed with me, so far as I could tell.

Section agreed to.

Bill reported, read the third time and passed.

SECOND READING.

Bill No. 156, for the relief of Frederick Joseph Campbell.—Mr. Middlebro.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

LORD SELKIRK'S PIONEER SETTLERS.

Mr. PROULX:

Is it the policy of the Interior Department or the Government to set up the statute of limitations as a bar to the right of Lord Selkirk's pioneer settlers of Manitoba, who have been deprived of the power of protecting their civil rights through the failure of the Crown to take over the custody of the land registers and state papers of Lord Selkirk's estate from 1812 to 1835, at the transfer of that country to Canada in 1870?

Mr. ROCHE: The Department of the Interior is not aware of any further rights of Lord Selkirk's pioneer settlers of Manitoba, nor is it aware that such settlers have been deprived of the power to protect their civil rights. There is no policy or intention to set up any statute of limitations in the matter.

ROYAL MILITARY COLLEGE SUPPLIES.

Mr. PROULX:

1. Did Messrs. C. Livingston & Bros., of Kingston, ever have a written contract with the Government for the supplying of clothing and similar articles to the Royal Military College, Kingston, Ontario?

2. If so, what was the date of that contract, and how long was it to run?

3. Is the contract at present in force?

4. If it is not in force, when did it cease to be in force, and for what reason?

Mr. HUGHES:

1. Yes.

2. The contract was dated August 9, 1911, and was to continue in force until June 30, 1915, and thereafter from year to year. It was terminable at any 30th June after 1914, provided six months' notice to that effect was given by either of the parties thereto. A further condition of the contract was that it might be annulled at any time if the conditions thereof were not complied with.

3. No.

4. It ceased to be in force from April 1, 1912; cancelled by letter of that date addressed to Charles Livingston; and confirmed by Order in Council dated May 30, 1912.

LIQUOR SELLING TO INDIANS.

Mr. LEMIEUX:

1. What fines were collected from the Seven Islands Indians agency, Quebec, for sale of liquors to the Indians of the Montagnais band reserve, during the years 1912, 1913 and 1914?

2. From whom were said fines collected?

Mr. ROCHE:

1. The following fines were collected from the Seven Islands Indian Agency, Quebec, for sale of liquors to Indians during the years 1912, 1913 and 1914:

1912: None.

1913: Noel Mainville, $50; Samuel Lafontaine, $100; Mrs. Jos. Lapointe, $700; Alfred Marquis, $50; Wm. Robichaud, $50; A. J. Vennette, $100; Jos. Perrault, $200; Pierre Mainville, $50; Phil Ferguson, $50; Thos. Lavallie, $50; Everald Boudreau, $50; total, $1,450.

1914: None.

2. From the above-named persons.

HALIFAX NAVAL COLLEGE.

Mr. SINCLAIR:

1. Has the Department of Naval Service issued new regulations relating to the internal administration of the Naval College at Halifax, N.S.?

2. If so, do these regulations provide that parents or guardians of cadets receiving instructions at that college must in future declare in writing that their son or ward will join the Canadian Naval Service on leaving the college?

Mr. HAZEN:

1. Yes.

2. Yes, in the reserve. These regulations were published in the Canada Gazette on 25th April, 1914, and have been laid on the table of the House.

ST. ARMAND STATION RURAL MAIL.

Mr. KAY:

1. How many times were tenders called for rural mail route No. 2, St. Armand station, county of Missisquoi?

2. What were the names of the tenderers on each occasion, and what was the amount of each tender?

3. Has a contract been let for this route, and when will the service commence?

Mr. PELLETIER:

1. Tenders were invited for this route once only.

2 and 3. The contract arrangements for this route and for the services of Philipsburg and St. Armand Station post offices which must be made before the rural route can be established, have not been completed. The information will be given when the matter has been settled and the contract executed.

REIMBURSEMENT OF BANK DEPOSITORS.

*Mr. LEMIEUX:

Is it the intention of the Government to reimburse the depositors of the Ville Marie Bank, the Banque St. Jean and the Banque du Peuple?

Mr. W. T. WHITE: No.

TATAMAGOUCHE AND BRULE RURAL MAIL.

Mr. MACDONALD:

1. Has a rural mail delivery route been established between Tatamagouche and Brulé, county of Colchester?

2. Have tenders been called for the mail contract?

3. If not, will tenders be called?

4. Who is the present carrier and what is paid him?

Mr. PELLETIER:

1. Application has been made for the establishment of a rural mail delivery service from Tatamagouche, N.S., to Waldegrave, Brulé (or Brulé Shore) and Sandville, and the matter is now under inquiry, and until such inquiry is completed and the inspector's report is received, the Postmaster General is unable to say whether or not the service will be authorized.

2, 3 and 4. Answered by No. 1.

INDIANS, KINGS COUNTY, N.S.

Mr. KYTE:

1. How many Indians are there in the county of Kings, N.S.?

2. In what parts of Kings county and in what numbers are such Indians located?

3. How many Indians were resident in Kings county in 1901 or 1902, and in what districts in that year were they located, and in what numbers?

4. Who was the Indian medical attendant in Kings county, N.S., prior to 1911, and what remuneration did he receive annually for such services?

Mr. ROCHE:

1. Ninety-three.

2. Kings county Indians are located at the following places, but there is no record of the number resident at each place: Aylesford, Berwick, Bishopville, Blue Mountain, Brooklyn Corner, Cambridge, Gasperaux, Kentville.

3. Seventy-four in the year 1911; Kentville 20, Berwick 10, Blue Mountain 6, Greenland 6, Middleton 10, Kingston 7, Gaspereaux 10, Black Rock 5.

4. H. Jacques, M.D. $50 per annum.

SERVICES OF ALFRED BISHOP.

Mr. KYTE:

1. Upon what terms and conditions may the services of Alfred Bishop, of the Kentville Horticultural Station, be made available to address farmers' meetings in the province of Nova Scotia?

2. What are the special subjects in agriculture or horticulture upon which said Alfred Bishop is qualified to give instructions to farmers?

3. What public addresses, if any, have been made by said Alfred Bishop from the date of his appointment to March 31, 1914?

4. Will applications for the services of said Alfred Bishop be considered by the Department of Agriculture in the order in which the same are received?

5. What requests have been made to the department or any official thereof to secure the services of said Alfred Bishop as a lecturer, instructor or speaker on agriculture or horticulture since his appointment?

6. By what authority did said Alfred Bishop devote his time during the months of September and October, 1913, to running a municipal election in the county of Kings?

7. What deduction was made from the wages or salary of said Alfred Bishop during the time he was engaged in running a municipal election in Kings county during the year 1913?

8. Is it part of the duty of said Alfred Bishop to attend revisors' courts?

9. Is any deduction made from his wages for time spent attending revisors' courts?

10. From whom is said Alfred Bishop required to obtain leave of absence from his duties at said station?

Mr. BURRELL:

1. Upon special application being made to the superintendent, Mr. W. S. Blair. Such services are rendered free of all cost to the society or association receiving the same. It may be stated, however, that farm foremen are not considered as technical officers and are rarely, if ever, asked for or sent on such missions.

2. Mr. Bishop is the farm foreman at the Kentville Experimental Station and as such, is not necessarily an expert in any particular subject in agriculture or horticulture.

3. None, so far as the department is aware.

4. Applications for the services of Mr. Bishop as lecturer will not be entertained.

5. None.

6. Mr. Bishop asked the superintendent, Mr. Blair, for one day off, Tuesday, October 22, 1913, to attend to private business. Any other absences in the month of September and October were not authorized.

7. No deductions were made from Mr. Bishop's wages for absence on any account, during 1913.

8. No.

9. No deduction has been made from Mr. Bishop's wages for absence on any account.

10. From the superintendent, Mr. W. S. Blair.

DISMISSALS.

Mr. TOBIN:

1. Has J. R. Denison, postmaster of Richmond, Quebec, been dismissed? If so, on what grounds?

2. Was an investigation held? If so, by whom and did Mr. Denison have an opportunity of defending himself? If not, why not?

3. Has a new postmaster been appointed? If so, what is his name and who recommended his appointment?

Mr. PELLETIER:

1. Yes. The management of the office was very unsatisfactory.

2. Serious complaints were made in regard to the management of the office and an official investigation was held. The inspector's report showed that a change in the postmastership was necessary.

3. A new postmaster has been appointed by the direction of the Postmaster General. His name is Wm. E. McIver.

Mr. SINCLAIR:

1. With reference to the reply given on April 20 to questions relating to the dismissal of Charles McPherson, postmaster at North Riverside, Guysborough county, and with further reference to a letter received by the said postmaster from an officer of the Post Office Department, stating that a complaint charging partisanship against said postmaster had been received, what is the name of the party or parties who made such complaint?

2. What is the date of such complaint?

3. Who has been appointed his successor?

4. Who recommended said successor?

Mr. PELLETIER:

It was not a matter of complaint against the postmaster. It was a question for the Post Office Department to maintain or cancel an appointment made by a government after it had been defeated.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Marcil.—For a copy of all correspondence exchanged by and with the Department of Inland Revenue and the late J. S. Mousseau and A. M. Caldwell, New Carlisle, Quebec, and David Champoux, Campbellton, N.B., or Restigouche, Quebec, in connection with the dismissal of Arthur B. Caldwell, assistant inspector of Weights and Measures, district of Quebec.

Mr. Henderson.—For a return showing the number of half-yearly renewal term policies or certificates of insurance issued by the Federal Life Assurance Company of Canada and now in force, with the names and present post office addresses of the holders of the said policies or certificates of insurance.

Mr. Lemieux.—For a copy of all papers, letters, telegrams, accounts and receipts concerning advances made to the Montagnais band of Indians through the agency of Seven Islands, Quebec.

Mr. MacNutt.—For a copy of all correspondence exchanged by and with the Department of Public Works or the Post Office Department, relating to an application or applications for a post office building at the town of Melville, province of Saskatchewan.

Mr. Tobin.—For a copy of all complaints and other documents bearing upon the dismissal of J. R. Denison as postmaster of Richmond, Quebec, and the appointment of his successor.

Mr. W. A. Chisholm.—For a copy of all correspondence, telegrams, complaints, pay-rolls, vouchers and all other documents in any way connected with the expenditure of $500 during the year 1913 on Finlay Point wharf, Inverness county.

Mr. Sinclair.—For a copy of all correspondence, telegrams, petitions, including the signatures of such petitions, and all other documents and papers in the possession of the Department of Trade and Commerce, or the minister of said department, or in the possession of the Prime Minister, relating to any application made between November 1, 1913, and date hereof by parties in Nova Scotia asking for Government assistance towards the transportation of fresh fish between ports in Nova Scotia and the United States.

Mr. Kyte.—For all correspondence relating to the services of Alfred Bishop, of the Kent-

ville Horticultural Station, before and since his appointment.

Mr. Lemieux.—For a return showing the names of the 82 tenderers for the carrying of the mails between Baie St. Paul and Murray Bay, county of Charlevoix, and the amount of the tender in each case.

ROYAL CANADIAN BAND.

Mr. KYTE: I desire to call the attention of the hon. Minister of Militia and Defence to a message which I have just received to the effect that the Royal Canadian band paraded the streets of Halifax in full uniform Saturday evening to celebrate the discharge of a certain gentleman who was imprisoned for a short period for contempt of the Legislature of Nova Scotia.

Mr. SPEAKER: I think the hon. gentleman is out of order.

Mr. KYTE: I desire to ask the hon. Minister—

Some hon. MEMBERS: Order.

MORNING SITTINGS.

Mr. BORDEN moved:

That on and from Tuesday next, the 5th instant, and until the end of the session, the House shall meet at 11 o'clock in the morning, and that in addition to the usual intermission at 6 o'clock p.m., there shall be an intermission from one to three o'clock p.m.

Sir WILFRID LAURIER: I appreciate the fact that at this stage of the session everybody desires to make as much headway as possible towards prorogation, but I submit to my hon. friend that this motion should not be pressed to-day. The moment we have before us information as to the legislation that is to be brought down, we shall be ready for that resolution, but not before. If my hon. friend will hasten business and bring down as soon as possible all the legislation that he intends to introduce, we will do all we can to hasten matters.

Mr. BORDEN: I wish to assure the right hon. gentleman that I have done the best I could. There seems to be some force, however, in what he suggests with regard to the matter, and I will not press the motion to-day. I will endeavour to impress upon the ministers the importance of getting all the legislation down.

Motion stands.

DRAWBACK ON PIG-IRON.

On motion of Hon. W. T. WHITE (Minister of Finance), the House went into Committee to consider the following proposed resolution, Mr. Blain in the Chair:

[Mr. Kyte.]

Resolved, that it is expedient to provide that the Governor in Council, may under regulations made for the purpose, allow, on the exportation of goods manufactured in Canada and into the manufacture of which pig-iron imported into Canada mixed with pig-iron made in Canada has entered, a drawback, equal to the duty paid, less such deductions therefrom as is provided in such regulations, on all pig-iron imported and used by the manufacturer of such goods in manufacturing the goods exported and other goods, and the drawback may be computed on the total quantity of pig-iron, including pig-iron made as aforesaid, entering into such exported goods.

Mr. GRAHAM: Would the minister state just what that change is?

Mr. WHITE: I explained the reasons for this legislation upon the occasion of the Budget speech, but I have prepared a succinct statement, which is as follows:

The object of this amendment is to enable drawback to be paid on pig-iron used in articles exported, but not exceeding the weight imported, and entered for duty.

When manufacturing the same article for export and for home consumption, it is found impracticable to keep the melts of foreign and domestic iron separate, so that only foreign pig-iron will be used in the article exported, and domestic pig-iron in the like article for home consumption.

The proposed amendment is designed to enable drawback to be paid to the extent of the weight of pig-iron used in the exported article, but not in excess of the quantity imported, and on which duty has been paid.

Section 288 of the Customs Act, which is amended, is as follows:

The Governor in Council may, under regulations made for that purpose, allow on the exportation of goods which have been imported into Canada, and on which a duty of customs has been paid, a drawback equal to the duty so paid with such deductions therefrom as is provided in such regulations.

In the administration of this drawback provision the Customs Department has found itself confronted with a difficulty which really makes it in the interest of Canadian manufacturers who manufacture for export as well as for home consumption to purchase all their pig-iron abroad. I can best illustrate to the House by a concrete example. Let us say that a manufacturer of articles into which pig-iron enters, for home consumption as well as for export, requires 30,000 tons of pig-iron during the year for his entire business, both domestic and export. Let us say that he buys 10,000 tons of pig-iron from the United States and 20,000 tons of domestic pig-iron; and let us assume that he exports 10,000 tons of manufactured product made from pig-iron. He is entitled to a drawback in respect of duties paid upon pig-

iron which has entered into his export product, 10,000 tons. The Customs Department will not allow him a drawback to the amount of the duty paid upon the 10,000 tons of pig-iron which he has imported from the United States because, they say that in the melts (a technical term) in his manufacturing of both his domestic and his foreign products he has combined the foreign pig-iron and domestic pig-iron in the proportion of one and two. They therefore will allow him only one-third of the duties which he has paid upon the 10,000 tons of imported pig-iron by way of drawback; that is to say, they will allow him the duty paid in respect of 3,333 tons only, although he has melted 10,000 tons of American pig-iron and has imported 10,000 tons of his manufactured product. The manufacturer, therefore, whose case we have under consideration, says: Well, I will buy all my pig-iron, the whole 30,000 tons, in the United States, because then no question can possibly arise as to confusion in the melts; I can buy the 20,000 tons in the United States just as cheaply as I can in Canada, and I can buy the 10,000 tons just as cheaply in the United States as I can in Canada, and therefore I will buy it all there. He gets a drawback in respect of the duties paid on 10,000 tons, because he has used 10,000 tons of imported pig-iron in the product which he has exported, and no question arises as to the confusion of the metals in the melts. This matter was brought to our attention by the iron and steel companies of Canada. They said—and I think the matter is beyond question—that by reason of the administration of the drawback provision by the Customs Department in the past, they had been debarred from making sales to manufacturers who use pig-iron in their production; they requested that this change be made whereby a rebate of duty will be given in respect of the entire amount of pig-iron imported from abroad, provided the drawback does not exceed the total amount of duty paid upon the pig-iron imported by a manufacturer and entering into his exported product.

Mr. EMMERSON: What is the duty on pig-iron imported into Canada?

Mr. WHITE: Two dollars and a half, general.

Mr. EMMERSON: Newfoundland comes under the British preference?

Mr. WHITE: The British preferential on pig iron is $1.50.

Mr. A. K. MACLEAN: Can the minister give us the regulations as they now stand?

Mr. WHITE: I have not the regulations before me, but I may say—

Mr. MACLEAN: If goods made in Canada, and exported, are made of imported pig-iron then there is a rebate. Do I understand that the rebate is only applicable to goods made in Canada, and exported therefrom, and into which foreign pig-iron enters?

Mr. WHITE: Yes.

Mr. MACLEAN: The rebate does not apply to goods made in Canada and sold in Canada.

Sir WILFRID LAURIER: The explanation, as my hon. friend says, is very technical. As I understand it, the manufacturer who buys 10,000 tons of pig-iron in the United States gets a rebate if my hon. friend is sure that 10,000 tons goes into the product he exports.

Mr. WHITE: My hon. friend is substantially stating the facts although, perhaps, he is generalizing. I do not know whether my right hon. friend approves of the legislation or not, but he sees the alternative. The alternative is that the manufacturer buys all his pig-iron in the United States, and then if he exports 10,000 tons of product made from pig-iron, he gets a drawback upon the duties paid on 10,000 tons. Of course if he bought the entire 30,000 tons from the United States, no question could arise as to the melting of that with Canadian pig-iron. I am told that the Massey-Harris Company has bought its pig-iron outside of Canada for years, and the same thing has also been brought to my attention in connection with the International Harvester Company.

Sir WILFRID LAURIER: The Massey-Harris Company could not have bought it in the United States with the object of getting a rebate because they get a rebate both on their domestic and foreign ore.

Mr. WHITE: Take the case of the International Harvester Company of Hamilton. It has been represented to me by the Steel Company of Canada, and by the International Harvester people themselves, that if the drawback provision were amended the latter would buy some of their pig-iron from the Steel Company of Canada in Hamilton, who are neighbours to them—just across the street, so to speak. But until this drawback provision is amended it pays the International Harvester Company to

buy all their pig-iron in the United States. On the face of it, this legislation would seem to be a disadvantage to the Canadian iron and steel companies, but it is not so. They have asked for it, and I think the illustration shows clearly that it will be in the interest of the iron and steel companies of Canada to have this legislation enacted, because it will put them in a favourable position for the sale of their product to manufacturers who require it. At the present time the drawback regulations are to their disadvantage.

Mr. MACDONALD: If that is the end the minister wishes to attain, he is not attaining it at all according to the explanation he has given to the House.

Mr. WHITE: Why not?

Mr. MACDONALD: Because my hon. friend says that to-day the Canadian manufacturer who imports 10,000 tons of pig-iron from the United States and takes at the same time 20,000 tons from the Canadian manufacturer, and uses that in the production of exported goods, is not able to get a full drawback on the 10,000 tons from the United States, but only one-third of the drawback. My hon. friend is making it easier for him to get the full drawback on the 10,000 tons of imported product.

5 p.m.

Mr. WHITE: I took a hypothetical case which, by reason of the administration of the drawback provision in the Customs Act, could not actually arise.

Mr. MACDONALD: Why does not my hon. friend take an actual case? His hypothetical one disproves the argument in favour of the proposed legislation.

Mr. WHITE: If the manufacturer buys 20,000 tons in Canada and 10,000 tons from abroad and gets only one-third drawback, it might be argued that that was an advantage to the Canadian iron manufacturer; but as a matter of fact it is to their interest to buy all their pig-iron from the United States, and, as I have said, the Massey-Harris Company does it.

Mr. MACDONALD: The Massey-Harris Company used to buy their pig-iron from the Nova Scotia Company in my county. They took almost the total output of the concern for the manufacture of agricultural implements.

Mr. ARTHURS: Pig-iron?

[Mr. W. T. White.]

Mr. MACDONALD: Pig-iron and steel products, which come under these drawbacks. But they have been purchasing in the United States for a number of years and they apparently do not want to purchase in Canada. It is one of the anomalies of the Massey-Harris people that they are coming here asking protection when they do not show the slightest interest in behalf of the people who produce their raw material and are continually pressing the Minister of Finance, as they pressed the previous Minister of Finance, to give them the widest opportunities of going out and getting their raw material in the United States which they do. I would like to get from the Minister of Finance some clear explanation as to how this proposition is going to be worked out. My hon. friend will be bound to admit, that, having regard to the hypothetical case which he submitted to the House, the effect of this legislation he is now proposing is to make it easier and more natural for the Canadian manufacturer to go to the United States to get the whole of the pig-iron that he wants than even it is now.

Mr. WHITE: He is going there now; I want to make it in his interest not to go.

Mr. MACDONALD: My hon. friend was dealing with a case in which a Canadian manufacturer was purchasing one-third of his necessities in the United States and two-thirds in Canada. He said that if the manufacturer did that he would only be able to get one-third of the duty he had paid on 10,000 tons of pig-iron, taking the hypothetical case, whereas, under this new legislation he would be able to get the whole of the duty paid on the 10,000 tons.

Mr. WHITE: Let us assume that the manufacturer, as in the hypothetical case, purchased 20,000 tons of pig-iron in Canada and 10,000 in the United States and, as in the hypothetical case, got a drawback of duties in respect of only 3,333 tons; I would ask my hon. friend what he would do next year. Next year, after having bought 10,000 in the United States and 20,000 in Canada and finding that he only got a rebate of duty in respect to 3,333 tons, he would do precisely what the manufacturers are doing to-day; he would find that it paid him better to buy his entire 30,000 tons in the United States and he would do so.

Mr. MACDONALD: My hon. friend has made clear what he failed to make clear before. My hon. friend takes the ground that, because of the administration of the Cus-

toms Department and interpretation of the law as to the proportion of drawback that he is entitled to upon the material that he has purchased, the manufacturer has been induced to go to the United States in order that there might be no question as to the proportion.

Mr. WHITE: Exactly.

Mr. MACDONALD: Where, in the province of Ontario, is pig-iron manufactured and sold to other manufacturers?

Mr. WHITE: In Hamilton.

Mr. MACDONALD: In Hamilton alone?

Mr. WHITE: Pig-iron was manufactured at Midland and charcoal iron at Deseronto and Parry Sound. Pig-iron is manufactured at Hamilton and Sault Ste. Marie.

Mr. MACDONALD: For sale?

Mr. WHITE: For sale.

Mr. DEVLIN: How does the Government establish the quantity of pig-iron that has been imported and which has entered into the manufacture of different articles which are exported? Does it take the manufacturer's word?

Mr. WHITE: A customs officer visits the establishment of the manufacturer making application for drawback, examines his records, ascertains the amount of his export product, and the amount of raw material imported from various sources that has entered into that product, and makes the necessary calculation.

Sir WILFRID LAURIER: The more this matter is explained the more mysterious it seems to be. The present law is that the manufacturer who imports iron from the United States gets a drawback of one-third when manufactured and exported, and my hon. friend argues that he is encouraged to buy more iron in the United States. My hon. friend is going to prevent him now from doing that. He is going to take away the inducement to purchase iron in the United States by increasing the bounty from one-third to three-thirds. I do not know how that will work out, but it seems to me that it will work out according to ordinary rules of common sense. I do not object to the legislation of my hon. friend, because, like my hon. friend behind me (Mr. Michael Clark), I am in favour of a low tariff, and if this contributes to a lowering of the tariff I shall not object to it. But, unfortunately, it is not the Canadian consumer who will benefit by it, but the foreign consumer.

Mr. ARTHURS: Representing a county interested in the pig-iron industry, I have only one objection to this proposed legislation, and it is that it does not go far enough. I think that when you are granting a bonus, or a rebate, on articles manufactured out of Canadian iron and steel, you should also give a bonus of an equal amount for the whole of the pig-iron that is manufactured in Canada and goes into the construction of these implements.

Mr. MICHAEL CLARK: Where will you get the money?

Mr. ARTHURS: The money is easily got. Any man who understands the question thoroughly can easily see what the minister is trying to do by this legislation. For instance, if a manufacturer imports any number of tons of pig-iron for the manufacture of implements to be exported from Canada, he receives a bounty for exactly that amount. If, on the other hand, he imports only one-third of the iron entering into these implements, he only gets, under the present regulation, one-third of the rebate. The distinction is that the man importing the total amount of pig-iron entering into the exported articles receives under the present law 99 per cent of the customs duty paid by him on that imported pig-iron. Thus, the man who imports one-third of his pig-iron and uses two-thirds Canadian pig-iron, according to the legislation now in force, is handicapped as compared with the man who imports the whole quantity. That is the present situation, and these are the conditions that we have to meet. If a manufacturer, using 100,000 tons of pig-iron a year, imports that pig-iron from the United States, he gets a rebate on 100,000 tons. If, on the other hand, he uses 100,000 tons for export, of which any amount is purchased from Canadian smelters, he only gets a rebate for the amount on which he has paid duty, or, for the amount that he has purchased from the United States. This resolution, as I understand it, is to allow a man to receive a rebate to the extent of his exported product. If he exports 10,000 tons of manufactured goods, and if he has imported from the United States 10,000 tons of pig-iron, he receives a rebate upon the whole of it, notwithstanding the fact that he may have purchased 50,000 tons of Canadian ore in the meantime and used it in the production of

exactly similar implements. My only objection is that I believe that any one engaged in exactly similar business, using exactly the same material, and manufacturing in all probability similar products, should receive exactly the same treatment as the man who imports from the United States, and that is all that the minister is asking for at the present time.

He is simply asking that the manufacturer who is honest enough, Canadian enough, to buy as much as possible in Canada should receive the same treatment as the manufacturer who imports entirely from the United States.

Mr. MACDONALD: My hon. friend has forgotten the point that the manufacturer can solve the problem by not importing any of it from the United States. Then he will not require to ask for any drawback.

Mr. WHITE: The price is better.

Mr. MACDONALD: Then, how is my hon. friend to assist the manufacturer of pig-iron in Canada by giving the full drawback to the person who goes to the United States to purchase pig-iron, when he can get it cheaper there than in Canada, even when handicapped by the fact that he can get only one-third of the duty back? Under the existing legislation, the International Harvester Company, for example, if they want to encourage Canadian production of pig-iron, can go to my hon. friend's (Mr. Arthurs) constituency and buy it. If they buy it in the United States, they get only one-third of the drawback on the duty. My hon. friend is proposing to give back the whole of the duty. The consequence will be that if the manufacturers can get pig-iron cheaper in the United States, they will buy it in the United States. That is what the Massey-Harris people did. While clamouring for the maintenance of the duty on their products, and asserting that they could not make goods wholesale in Canada without the assistance of the duty, they were purchasing all their raw material in the United States. If these manufacturers who purchase pig-iron for raw material are patriotic and Canadian enough to encourage Canadian industries, they will purchase all their pig-iron in Canada without asking my hon. friend to give them the whole drawback and thus remove all the impediments which lie between them and purchasing in the United States. When the Hon. Mr. Fielding was Minister of Finance, he had to defend the maintenance of bounties on pig-iron; and I heard many hon. members from the province of Ontario denounce the then Government for giving bounties to that industry.

Mr. ARTHURS: Is my hon. friend in favour of bounties now?

Mr. MACDONALD: I was in favour of a bounty on pig-iron at the time when my hon. friends were opposing it in this House, and were going up and down the province of Ontario saying that the revenues of Canada would be used by the manufacturers of pig-iron to build private yachts. If my hon. friend will turn to 'Hansard' of 1900 he will find that several hon. members who have seats in the House to-day turned their eyes askance at any gentleman on this side who said anything in regard to a duty on iron, although their statements were not nearly so extreme as what my hon. friends said when the late Government's proposals in respect to iron were brought down. My hon. friend (Mr. White), in dealing with this question of the duty on iron, has made a tariff for a few friends of his in the province of Ontario.

Mr. WHITE: What about wire rods?

Mr. MACDONALD: Were it not for the fact that wire rods happen to be manufactured in the province of Nova Scotia, my hon. friend would have absolutely disregarded the iron industry in that province, where iron was first made in the Dominion. My hon. friend has been working for the Steel Company of Canada and one or two industries in the province of Ontario which have peculiar interest for him, and he is entirely disregarding the interest of the people in the other provinces of Canada.

Mr. WHITE: What complaint or suggestion has my hon. friend to make—because I have not heard from him as yet—in regard to the change in the iron and steel schedule?

Mr. MACDONALD: My hon. friend, in response to the requests made to him by the iron and steel people throughout this country, has so framed the schedule that, with the exception of the one item of wire rods, which happens to be manufactured in the province of Nova Scotia, his iron and steel changes have been made for his particular friends in the province of Ontario, and he knows it.

Mr. WHITE: I fail entirely to follow my hon. friend. He is a member of this

House; and, if he has any criticisms to make of the Budget proposals in respect to the tariff, it is his duty to make them.

Mr. MACDONALD: I am making them.

Mr. WHITE: My hon. friend is doing so in a very vague fashion. He says: You are favouring some of your friends in the province of Ontario, and, incidentally, you are affording some advantage to the Steel Company of Sydney. Does my hon. friend object to the imposition of a duty on wire rods? If he does, he should say so. I have not understood him to object to that. As nearly as I can make out the burden of his complaint against me, it is that, in some fashion, which he does not deign to particularize, I have overlooked one or more companies; and that, in the tariff resolutions which I have brought down, the beneficiaries are an Ontario concern, as he puts it, and incidentally the Dominion Iron and Steel Company is pretty important company. My right hon. friend (Sir Wilfrid Laurier) during his term of office paid bounties of about $15,000,000 to establish, amongst others, the steel plant at Sydney. Speaking for myself, I made no objection to that. I said that I thought bounties were justified to call into being large industries of the kind in question. Now my hon. friend has made this resolution, which relates to drawback, the occasion of an attack upon me for not doing more for the steel industry; and yet he does not particularize. I have reason to complain that he does not bring to my attention any particulars as to what he has in mind. If he has in mind the raising of the duty on steel billets and pig-iron, I will let him fight it out with my hon. friend from Red Deer (Mr. Clark), who will do the job very much better than I can. My hon. friends on the other side say: Let us abolish the duty on agricultural implements; and my hon. friend says by implication: Let us raise the duty on raw materials for the manufacture of agricultural implements. He is what may be described as an incidental or casual or occasional Conservative. We on this side call ourselves Liberal-Conservatives. My hon. friend passes occasionally as a Conservative-Liberal; yet he has not the courage of his convictions, and does not say frankly in this House what he wants. If he is in favour of raising the tariff on steel products, let him say so, instead of making these veiled charges that I have overlooked certain of his friends—because that is really what is back of it all—and have favoured certain others engaged in the steel industry. As a matter of fact, I have given the most careful and painstaking attention to the whole matter of the steel schedule; and I believe the steel industry, as a whole, is quite satisfied with what has been done. My hon. friend knows that, to raise the duty upon pig-iron and upon steel billets necessitates a revision of the entire steel schedule. It means the raising of the duty on agricultural implements, stoves, castings and everything into which steel and iron enters as a base product. He knows this is not a year of general revision. This is a year in which certain readjustments of the tariff have had to be made, for the reasons I have given, namely, so far as the steel industry is concerned, because the steel companies have had to broaden or change the basis of their production to meet the altered conditions, as I explained in my Budget speech and in Committee of Ways and Means when the resolutions relating to the steel tariff were under consideration. My hon. friend makes an attack to-day that he failed to make on the occasion of the discussion on the Budget or in the discussion of the resolution in the Committee of Ways and Means. My hon. friend does not understand—at least, if he does, he desires not to be understood as understanding. My hon. friend says: If he can buy cheaper in the United States, why will he not buy all his supply in the United States? I will tell him why. Take the case of a company in Hamilton, let us say, manufacturing both for export and for domestic consumption. They are entitled to a drawback upon duties paid in respect of foreign pig-iron entering into their exported products; they are not entitled to a drawback in respect of duties upon imported pig-iron entering into their products consumed at home, with the exceptions which I have indicated to my hon. friend from Halifax. That company can buy cheaper in the United States if they are getting the drawback, but not if they have to pay the duty without receiving a drawback. In that situation, the question arises whether it will pay them to import all their pig-iron by reason of the fact that they get a drawback upon that part of it, which they export. Let us assume that with the drawback allowed they can buy in the United States more cheaply than in Hamilton. It does not follow that they can buy all their pig-iron more cheaply than in Hamilton; if they could, of course they would not buy in Hamilton. Even if the manufactures can

buy some of their pig-iron as cheaply in Canada as they can buy it in the United States, after payment of the freight and duty upon it, under the regulations that now exist it would pay them to buy all their pig-ron in the United States, both for home and for foreign trade. Under the amendment which I am introducing to the Customs Act they will receive a drawback in respect of the pig-iron which they import from the United States, provided they export an amount of manufactured iron equivalent to the amount imported.

Mr. CARROLL: Does the hon. minister say that they can buy pig-iron in Canada more cheaply in Canada than they can buy in the United States and pay the duty?

Mr. WHITE. Not necessarily. There is usually a parity of price. Suppose the agricultural implement manufacturer in Hamilton could buy in Pittsburg at a price which, freight and duty paid, would lay the pig-iron down in Hamilton at $15 a ton. In that case, the Hamilton price would be about $15 a ton. It might be that they would lower the price to get the business. As a general thing, they cut a little below the price of the American product, plus the freight and duty, to get the market.

Mr. CARROLL: As the minister is changing the law with regard to drawback, I think he should change it so as to give no drawback. If he intends that the Canadian consumer shall use pig-iron produced in Canada, the obvious way is to refuse to give any drawback, and give no advantage on the exported article either. Suppose that this change is some advantage to the Canadian manufacturer of pig-iron, it is no advantage to the Canadian consumer. The only persons who get advantage, according to the minister, is the manufacturer who imports from abroad and the outside consumer of the manufactured article.

Mr. WHITE: This relates only to export products.

Mr. CARROLL: Exactly so. The minister tells us that this change is designed to benefit the iron and steel manufacturers of Canada. But if that is his intention, I say he should give no drawback at all. If it is a benefit to the iron and steel producers that the user of the material should not be allowed a drawback on goods sold for home consumption, it would be a double benefit if no drawback were allowed in any case. Does the minister follow me?

[Mr. W. T. White.]

Mr. WHITE: I follow you, but I do not agree with you.

Mr. CARROLL: The minister agrees with me that it would be more to the advantage of the Canadian manufacturers of iron and steel if no drawback were allowed. If the object is to benefit the producer of iron and steel, why not then do away with the drawback altogether? When this resolution was first brought down, I said in my remarks on the Budget that the change would be injurious to the manufacturer of iron. If the minister is right in his contention, I can see where there is some advantage. But I go further and say that this change does not benefit the Canadian consumer, so I think the minister has made a mistake in not doing away with drawbacks altogether, thus making the manufacturers buy pig-iron altogether from the producers of iron in Canada.

Mr. WHITE: My hon. friend surely is not serious, or, if serious, he has not considered the question. His suggestion is that there should be no drawback of duties paid in respect of raw materials entering into products of Canadian manufacturers exported from Canada. Let me point out to what that would lead. The Canadian manufacturer, of course, in respect of his export business, is in competition with the manufacturers of the world. Now, let me ask my hon. friend, who is a good business man, to suppose for a moment that he is a manufacturer of agricultural implements which he is selling in the markets of the world in competition with similar manufacturers of the United States. And suppose he received no drawback on pig-iron bought in the United States. The agricultural implement maker in the United States would have his pig-iron at about $2.25 or $2.50 a ton cheaper than my hon. friend would have his pig-iron if he were forced to buy in Canada. The result would be that because the cost of manufacture is so much less to the American manufacturer, my hon. friend could not compete in the markets of the world with the manufacturer of the United States, and he would have no export business at all. The provision as to drawback does not relate only to iron and steel; it relates to all raw material imported by Canadian manufacturers in respect of their export business, and the reason is that either they must be placed on an equality

with foreign manufacturers, who get their raw material cheaper, or they cannot compete. Surely that must be perfectly plain to my hon. friend. If they are not put on that same footing, the pig-iron manufacturer of Canada, who occasionally—but seldom, I admit—can sell his products to the manufacturer, even in respect of his export business, would be in a worse position to manufacture for export; in fact he would not be able to carry on business successfully at all.

Mr. CARROLL: What about manufactured articles exported to Great Britain? Does the Canadian manufacturer get his drawback there?

Mr. WHITE: Supposing the Canadian manufacturer is competing with the British manufacturer in the market of free trade Great Britain. The British manufacturer gets his raw material free; the Canadian manufacturer has to pay for whatever raw material he imports to Canada a price determined to a certain extent by the duty payable upon it. The Canadian manufacturer, therefore, could not compete with the British manufacturer at all. It is absolutely necessary that the Canadian manufacturer should have a drawback in respect of raw material if he wishes to be placed upon an equal footing with the foreign competitor.

Mr. CARROLL: When the minister made his statement to the House he said that this was to be done for the advantage of the steel manufacturers of this country. I want to draw the minister out and show that he is also benefiting the manufacturers of agricultural implements and of all other things that are manufactured from iron. If he had told the House that when he was making his statement he would have told the whole truth.

Mr. WHITE: Every manufacturer in Canada to-day gets a drawback in respect of the raw material that he imports or uses in his export business, so that there is absolutely no charge in that regard. The Massey-Harris Company and the International Harvester Company buy practically all their pig-iron in the United States, for the reasons which I have given, and what I desire to do in this legislation is to enable them to buy some of their pig-iron in Canada, and to prevent the pig-iron manufacturers of Canada from losing business by reason of the regulation of the Customs Department, which at present allows to manufacturers in respect of their export products a drawback upon commodities to the percentage that the imported American pig-iron bears to the amount of the American and the Canadian pig-iron used in their product, both for domestic and foreign export trade.

Mr. CARROLL: The minister does not suppose they are going to buy it in Canada if they can get it cheaper in the United States?

Mr. WHITE: No.

Mr. CARROLL: They can get it cheaper in the United States with the duty as it is now.

Mr. MICHAEL CLARK: Does my hon. friend think this regulation will help the export trade to the United States of manufactured iron goods?

Mr. WHITE: No.

Mr. MICHAEL CLARK: It is not meant to do that?

Mr. WHITE: I do not expect that that will be its effect.

Mr. MICHAEL CLARK: I would like to understand exactly the attitude of the minister in the matter. He seems to be in favour of the export of these manufactured iron goods into the United States.

Mr. WHITE: If my hon. friend asks whether I am in favour of manufacture in Canada for export to the United States, I say, of course.

Mr. MICHAEL CLARK: I am surprised, because when I want some beneficial arrangement on behalf of the western wheat growers I get sermons the length of the minister's arm preached to me about the advantages of the home market. Why should not the hon. minister and his friends be content with the home market? Is not the sauce for the western goose good enough for the Ontario gander?

Mr. MACDONALD: The hon. minister complains that I did not make the few remarks which I did at some other time. I want to tell my hon. friend that I will trouble the House whenever it suits me to do so, not when it may happen to please my hon. friend. I said—and I repeat it—that in dealing with this iron and steel schedule during the present session of Parliament, the minister has had in view, with the single exception of the wire rod industry in Nova Scotia, solely the interests of some of his friends in the province of Ontario. My hon. friend did not venture to

question that statement; he did not meet that proposition and cannot meet it, because it is absolutely correct. This is not his time, he says, for a general revision of the tariff. My hon. friend knows that if he did not lead certain iron and steel people in this country after 1911 to believe that the alleged anomalies of the tariff with regard to iron and steel, would be removed at an early day, some of his colleagues did. My hon friend knows that the iron and steel people in this country, particularly in Nova Scotia, were led to believe by some of his colleagues that the bounty which expired in 1911 with regard to pig-iron and certain other products would be renewed.

Mr. WHITE: Is my hon. friend complaining that they were not renewed?

Mr. MACDONALD: I am discussing my hon. friend's position as Minister of Finance and his relation to the iron and steel people; I will discuss my own attitude when it suits me to do so. My hon. friend need not to be alarmed about my attitude in this matter; when the responsibility is placed upon hon. gentlemen on this side they will give to Canada, in regard not only to iron and steel but to other items as well, such a reasonable tariff that Canada will prosper as she did when the Liberals were in power. They will not, as the hon. gentlemen have done, dilly-dally with the question for nearly three years, creating business uncertainty throughout the land, a lack of public confidence here and abroad, and a condition in Canada where in almost every industrial centre manufacturing establishments are closed and workingmen are walking the streets. It is the attitude of my hon. friend and the performances of his party that have to be considered. I repeat that in 1911 the iron and steel people of this country were led to believe that the bounties on iron and steel, which expired in that year, would be renewed.

Mr. J. D. REID: Who did that?

Mr. MACDONALD: My hon. friend knows who did it; my hon. friend knows that some of his colleagues made representations to men connected with the iron and steel industry. My hon. friends know what happened last year and the year before. They know the expectations that were raised in regard to this question and how they proved to be illusory. My hon. friend had not the nerve to tackle this question, and now he says: Oh, this is not the time for a general revision of the tariff; wait until two or three years have passed, and we have dealt with this matter; then come around and criticise us when we have dealt with the whole thing. I say to my hon. friend now that in so far as he has dealt with the iron and steel tariff he has dealt with it on local lines, dealt with it in such a manner that the men who expected a great deal from him had a right to be disappointed and are disappointed.

Mr. MICHAEL CLARK: I do not wish to interrupt the dispute between the hon. members from Ontario and Nova Scotia, but I am anxious to expedite the non-contentious business in order to get to the really contentious business of the session, and if possible reach an end. I only intervened to ask one of these hon. gentlemen who are conducting this interesting dispute to explain to me, as a resident of one of the other seven provinces of Canada, how the policy which they both seem to support, if it is applied only to the locality in which they are particularly interested, ever came to have or can in any way deserve the term 'national' as applied to it. I do not care which hon. gentleman gives me the explanation.

Mr. W. T. WHITE: Perhaps I should say: after you my dear Alphonse, because my hon. friend is so much more eloquent than I am. I do not want to mar the humour of my hon. friend's remarks by any answer, and I am sure he will overlook the fact that an answer is not given. With regard to what the hon. member for Pictou (Mr. Macdonald) has said, he may know of some promises having been given with respect to bounties. Personally I know of none.

Mr. MACDONALD: I said they were led to believe.

Mr. WHITE: I do not know by whom they were led to believe. As far as I know, any promises that this party have given have been lived up to.

Mr. MACDONALD: All?

Mr. WHITE: I am quite satisfied that no tariff promises were made on the eve of any election; at least, on the occasion of the election of 1911; I am not so sure about the promises of 1896. My hon. friend seems to be disappointed at something I have refrained from doing, and yet he does not put forward what that something is. I have a very great respect for my hon. friend and for his ability, and any time he will rise in the House and tell me precisely what he has to suggest in the way of increased

duties I will say to him what I do to every member of the House or the public who bring matters of that kind to my attention: I shall be glad to give it careful and serious consideration. The complaint I have against my hon. friend is that while he does not agree with what I have done he does not make any suggestions which indicate his own views. If at any time he will tell me what he complains about I shall be glad to meet that complaint as far as I am able. He has put forward no representations; he has not asked for any increased duties. If he did he would find himself in conflict with distinguished gentlemen whom I see on the other side of the House, his friends and colleagues. Under these circumstances I must continue to do what I have done: administer the tariff according to my own best judgment—in view of the facts before me. I repeat, if my hon. friend has any specific complaint to make that we have not raised duties in respect of the products of any particular industry, local or otherwise, in which he is particularly interested, if he can tell me in specific language what he is complaining about, I shall be glad to take any statement and any representations he may make under my careful consideration.

Mr. MACDONALD: That is very good of my hon. friend, but he has not met my point.

Mr. McKENZIE: Together with the hon. member for Pictou (Mr. Macdonald) and the hon. member for South Cape Breton (Mr. Carroll) I am particularly interested in the manufacture of iron and steel, especially pig-iron, which is under discussion this afternoon. I would say to the minister that the producers of pig-iron in Canada are quite capable of supplying the legitimate demands of the manufacturers of Canada. I do not pretend to be an expert on questions of duty as applied to the subject matter before the committee, but, generally, I make the statement that I believe the large producers in Canada are to-day capable of producing pig-iron sufficient to supply the Canadian market, and if we are capable of supplying the market we are equally capable of supplying it with a first-class article. I speak particularly for the Dominion Steel Company at Sydney, and the Nova Scotia Iron and Steel Company, operating in the county which I have the honour to represent. Taking for granted that we have a supply in Canada of a first-class article sufficient to meet the demand, the question is why would not that article be purchased if it be purchasable at about the price at which the same article can be purchased from the United States? The theory of the National Policy of which we heard so much, with which I have grown up and of which I profess to know something, was that protection would enable us to manufacture our own products for our own use, and that local competition would give our people the manufactured article at a price not any higher than that of the foreign market. If that theory were carried out, then, of course, protection would have its uses. But we had to contend with such things as combines, when there was no local legitimate competition. When combines arose this local competition which was promised to us was destroyed and so we have not got the National Policy in this particular sense, and some other remedy should be applied. I wish to point out to the minister that I cannot see the difference between a drawback and free admission, as far as the article upon which the drawback is given is concerned. I think it is as broad as it is long. If a man has to go into the United States or any other foreign country and import a thousand tons of pig-iron, paying duty of $2.50 a ton, knowing that under certain conditions he will get that money back, it is tantamount to free trade. If protection is worth anything at all, and of course so far as my own industries are concerned and because I understand those industries well, I am in favour of protection of the industry of the country from which I come—

Some hon. MEMBERS: Hear, hear.

Mr. McKENZIE: I am always pleased to get a cheer from my hon. friends opposite. I cannot understand why I get a cheer on this occasion, because I have spoken in this House a great many times in the last ten or twelve years and when iron and steel and coal were under discussion I was always a tried and true protectionist. There is no reason why I should be particularly congratulated upon my stand to-day, it is an old stand and until conditions are changed it is the position to which I propose to adhere. The fault I have to find with the policy of the Minister of Finance is that he gives this drawback at all. If protection is good, if it is given for the purpose of encouraging the production of pig-iron in

Canada, why give us the will o' the wisp of giving us protection and taking it away the moment it becomes of any service to us? I think the protection should stand there for the Canadian pig-iron producer, particularly when we produce a first class article and lay it down for the same price that pig-iron can be got elsewhere. In this way we would encourage the production of manufactured goods in Canada and encourage our own manufacturers to supply the local market. If the local producer's horizon is widened, if the places where he can sell in the West and elsewhere become more numerous, he is encouraged to go more fully into the manufacture of his article, which in turn encourages the parties who are producing the raw material. I do not profess to understand the nice mechanism of the resolution before the House. I find it almost as difficult to understand as Mr. Hennessy found Mr. Dooley's explanation of Kruger's franchise. I do not for a moment say that my hon. friend is of the same calibre or ingenuity as Kruger, but I find this resolution extremely difficult to follow. One thing, however, I do understand; I think it is for the purpose of making it easier for the Canadian manufacturer to get his raw material from the United States, and while he professes to be paying the duty, he is getting it back. Another thing, it encourages the home manufacturer to produce articles to be sent out of the country instead of to be sold in Canada, where they would have the effect of making things cheaper for our own people. In conclusion, my idea is that the $2.50, which we are told is a protection to the pig-iron producer, should mean something and stay there as a permanent protection.

Resolution reported and concurred in.

Mr. WHITE thereupon moved for leave to introduce Bill No. 171, to amend the Customs Act.

Motion agreed to, and Bill read the first time.

At six o'clock the House took recess.

The House resumed at eight o'clock.

CIVIL SERVICE ACT AMENDMENT.

On motion of Hon. L. P. PELLETIER (Postmaster General), the House went into Committee on Bill No. 146, to amend the Civil Service Act, Mr. Blain in the Chair.

[Mr. McKenzie.]

On section 1—salaries increased from $500 to $600; annual increase from $50 to $100.

Mr. PELLETIER: This Bill was explained when we were in Committee on the resolution. This Bill affects the clerks in city post offices, the offices of the post office inspectors, the offices of the superintendents of the railway mail service and the money order exchange offices. It raises the initial salary from $500 to $600, and it raises the annual increase from $50 to $100. When the resolution was in Committee it had the concurrence of the hon. member for Rouville (Mr. Lemieux).

Mr. GRAHAM: How many employees will this affect, and how much money does it amount to in the aggregate?

Mr. PELLETIER: I have sent for the deputy minister, who has that information for me.

Mr. KNOWLES: I understand that in the West, when a man's salary reached a certain stage, his living allowance dropped; but I also understand that the Government has amended that so that a man's living allowance never recedes. Is that done by this Bill?

Mr. PELLETIER: No; what we have arranged has been done by Order in Council.

Mr. MORPHY: I notice that the railway mail clerks are not included in this Bill?

Mr. PELLETIER: No, they come under another Bill.

Mr. HENDERSON: What class of officials does this affect?

Mr. PELLETIER: The clerks in city post offices, the offices of the post office inspectors, the offices of the superintendents of the railway mail service, and the money order exchange offices; in fact, it covers every clerk in the outside service except the railway mail clerks, who will be provided for in a Bill which comes after this.

Mr. GRAHAM: Is there not another class not included in city post offices or the offices of post office inspectors? For instance, there are certain post offices that are created city offices, although they may not be in cities. Then, there is another class of post office which does not come under that heading.

Mr. PELLETIER: Like Brantford or Brockville, for instance; that is what we call a semi-staff office.

Mr. GRAHAM: It will not affect the standing of those clerks?

Mr. PELLETIER: The semi-staff offices are on the same footing, as far as the payment of the clerks is concerned, as the city post offices.

Mr. GRAHAM: By whom are the clerks engaged?

Mr. PELLETIER: They are engaged by the department.

Mr. GRAHAM: Is the staff at Renfrew engaged by the department or by the postmaster?

Mr. PELLETIER: That is a revenue office.

Mr. GRAHAM: Will this Bill have the effect of saying to the postmaster there: You must pay a certain salary to your staff?

Mr. PELLETIER: These people in Renfrew will not be affected by this Bill, because the Renfrew office is a revenue office. Brockville is a semi-staff office and Toronto a city office.

Mr. GRAHAM: There is nothing in this Bill for the aid of employees at Renfrew or Arnprior?

Mr. PELLETIER: No, these people are employed by the postmaster himself, and he pays them out of his revenue.

Mr. BUCHANAN: Is it the intention of the minister to create Medicine Hat and Lethbridge city post offices? At present they do not rank as such.

Mr. PELLETIER: These are semi-staff offices.

Mr. BUCHANAN: Is it the intention of the department to place them in the rank of city post offices?

Mr. PELLETIER: The question is under consideration.

Mr. GRAHAM: Will there be anything in any Bill that will affect the staff in revenue offices?

Mr. PELLETIER: Not in this Bill.

Mr. GRAHAM: I know it is not in this Bill; but is it in the mind of the Postmaster General? Is he thinking of doing something of that kind? A clerk may do just as much work in a post office in a town the size of Renfrew or Arnprior as another clerk will do in an office that is on a different status. There are certain post offices where the salaries are fixed and the appointments are made by the department. In post offices in towns like Renfrew or Arnprior the postmaster gets a certain salary from the revenue and engages his own staff. There seems to be somewhat of an anomaly. In one post office a clerk may be working for $400 a year; whereas in a post office in a neighbouring town, where possibly an equal amount of business is done, a clerk may be getting $600 a year from the department. I think there should be some way in which the salaries of the staff can be regulated, even though the revenues alter.

Mr. PELLETIER: The whole difference is this, that in the revenue offices we do not control the salaries at all; the employees are not our employees; they are engaged and paid by the postmaster. We have, therefore, nothing to say as to what their salaries shall be. If a post office were not kept properly, if the postmaster had not the necessary number of employees, we would hear complaints about it and probably would have to interfere; but so long as we hear no complaints, we take it for granted that the office is properly equipped and run to the satisfaction of the public, and we have nothing to say about the salaries which the postmaster pays to his employees.

Mr. GRAHAM: Does the department never intimate to the postmaster whom he ought to employ?

Mr. PELLETIER: No.

Section agreed to.

On section 2—minimum salaries:

Mr. LEMIEUX: What is the length of the probationary period?

Mr. PELLETIER: Six months.

Mr. GRAHAM: Will these salaries date from the 1st day of April, or is that merely the qualification of the employment?

Mr. PELLETIER: The salaries will date from the first day of the financial year.

Section agreed to.

On section 3—temporary clerks:

Mr. GRAHAM: What is that?

Mr. PELLETIER: It is the same thing —to put the initial salary at $600 instead of $500.

Section agreed to.

Bill reported.

On the motion of Mr. Pelletier for the third reading of the Bill:

Mr. LEMIEUX: Has my hon. friend not considered the advisability of bringing all these outside clerks under the Civil Service Commission?

Mr. PELLETIER: That will not come under this Bill.

Mr. LEMIEUX: But has not the Government considered, as a matter of policy, the bringing of the outside civil servants in those large offices under the Civil Service Commission?

Mr. PELLETIER: We cannot do anything for the Post Office Department unless we do it for all the departments.

Mr. LEMIEUX: What is to be the policy of the Government in the future?

Mr. PELLETIER: That is under consideration for the moment.

Mr. LEMIEUX: We have discussed this question on several occasions, and I have always understood that the day is not far distant when the Government may bring those officers under the Civil Service Commission. It would be in the best interest of the service and in the interest of the Government to do so.

Mr. BORDEN: It might not be practicable to bring them all under the Civil Service Commission in the near future, but some of them might be brought. Probably that matter will be discussed in connection with the Civil Service Bill.

Motion agreed to, and Bill read the third time and passed.

POST OFFICE ACT AMENDMENT.

On motion of Hon. L. P. PELLETIER (Postmaster General) the House went into Committee on Bill No. 147, to amend the Post Office Act, Mr. Blain in the Chair.

On section 1—Revised Statutes, c. 66, amended:

Mr. GRAHAM: This is an amendment to the Revised Statutes of 1906. Will the Postmaster General tell us briefly what changes are to be effected?

Mr. PELLETIER: The main object of the first change, that is, in paragraph (e), is to make it quite clear that the right of looking at newspapers, parcels and so on, is absolutely confined to those, and that there is no right to open letters. The section, as it stands at present, as my hon. friend from Rouville (Mr. Lemieux) knows, leaves the question open as to whether or not it is right to open letters. I want to make it quite clear that that right does not exist.

We are amending the clause, so that there is no possibility of doubt, by inserting the words 'except in the case of letters.' So we keep the right to open all other mailable matter, to carry out the purpose and intention of the Act, but making it quite clear that there is no right whatever to open letters. There are other matters of detail, but this is the main object of this clause.

Mr. CARROLL: Is the regulation making it compulsory to register letters containing money still in force?

Mr. PELLETIER: There is no obligation at all upon anybody to register letters. But we have complaints from a great many people that they had sent money through the mail in letters not registered, and that their money has been stolen. My hon. friend knows that it is impossible to follow letters which are not registered, and people are subject to loss of money on a great many occasions in this way. At the same time, we have found that it is a great temptation for clerks in some of the offices to examine unregistered letters and some of these clerks are very apt to guess that there might be money in these letters. We have found that it was therefore a suitable thing to try and protect the public, and also save these clerks from temptation by asking the people to have their letters registered if there is money in them. But we do not exact that. We have a regulation under which we impress upon the public that they should not send money in letters, containing over a dollar, without taking the precaution of registering them. But it is not compulsory.

Mr. LEMIEUX: I suppose this amendment is made in connection with the regulations concerning the parcel post. The department is aware that people are sending all sorts of things through the new channel, and there must be some regulation, in order to prevent, for instance, chemicals and things of that kind being sent through the mails. I do not know whether the Postmaster General has seen the item in the Montreal paper that white rats were sent by mail, and that the department decided that the white rats ought to pass. I believe that the regulation, provided that letters are not inter-

fered with, is desirable. The Postmaster General should have the authority to describe what kind of material should be handled. As regards the sending of coins in letters, I cannot agree with the criticism that has been made against the regulation of the department a few days ago. I remember when I was Postmaster General, some institutions, especially religious institutions, were being constantly robbed of small sums that were sent to them in letters. It is very easy to detect whether an envelope contains a coin, and I know of one or two institutions in Ottawa—and the Postmaster General knows, too—whose money some clerks had been tempted into taking for months and years. Sometimes the money is lost through the breaking of the envelopes, and complaints are made to the post office. It is better, under the circumstances, that the department should give the public notice that it is taking great risk in sending money in coins in that matter. And the mode of registration is so easy, and after all so cheap, that the public should register their letters when sending money through the mails.

Mr. CARROLL: I should be against any compulsory order to people to register their mail. I had correspondence with people in Cape Breton on this subject. They interpreted this as being compulsory, and I may tell the Postmaster General that some country postmasters have assumed it to be compulsory.

Mr. PELLETIER: My hon. friend may tell people who ask him for information on the subject that it is not compulsory. The regulation is merely an effort to persuade the people of what they should do, but there is no sanction to it except that we hope to bring the people to the right point of view in this matter, as so well expressed by the hon. member for Rouville (Mr. Lemieux) a moment ago.

Mr. LEMIEUX: Another point I wish to discuss with my hon. friend. Of course, the secrecy of correspondence is kept; that is a privilege which the public enjoy, high or low. At the same time, there is a regulation in the Post Office Department, which permits the Postmaster General to open letters in the case of what is called fraud order. The section under discussion would not affect that right on the part of the Postmaster General. The Postmaster General was away the other day—he was in Quebec I believe—when my hon. friend from Bonaventure (Mr. Marcil) brought to the notice of the Minister of Finance the case of some lotteries which were making use of the mails in order to extract as much money as possible from the gullible people. He cited instances in his own county, in which large sums of money had been taken from the people by this improper use of the mails. My hon. friend (Mr. Pelletier) can refer to the report of that debate, and he will see that in one case at least the department some years ago took drastic measures to prevent a lottery from using the mails. I think the hon. Postmaster General will do well to look into it and prevent the improper use of the mail by lotteries.

Mr. PELLETIER: I have had the Deputy Postmaster General take a note of the fact referred to. He will look into it. We are doing this every week or two—stopping fraudulent practices by mail. We will take special care to refer to the matter of which the hon. gentleman has spoken.

Mr. KNOWLES: I desire to call the attention of the Postmaster General to a matter which may not have been mentioned in the House before. During past years the gentlemen who represent the people in this House have had the privilege while in the city of Ottawa of franking parcels sent through the mail. The hon. minister has recently adopted a system of parcel post, upon which I shall not make any comment at this moment, but why that should have been made the occasion of taking away the privilege which the representatives of the people formerly enjoyed is something which I do not understand. If there is any reason why the privilege of the franking of parcels should be taken away from members of the House, that reason existed, of course, before the parcel post system came into operation. There are many occasions when it is to the advantage of the constituents whom we represent that we should have that privilege. Very often we visit the Experimental Farm and are favoured with a sample of wheat or oats which we wish to send to our constituents, and now we have to pay postage upon any parcel containing such samples. I raise the question not as asking a favour; I suppose that any hon. gentleman can put his hand in his pocket and pay postage, but it is a matter of public policy, and, so far I have not learned any reason why we should not have the same privileges that we formerly enjoyed.

Mr. PELLETIER: My hon. friend says that members of the House should not be deprived of the privileges that they had

before. The Post Office Department has deprived itself of the very privilege to which my hon. friend refers. When the parcel post system was put into operation on February 10 last, we decided to make no exemption from the payment of postage; the Prime Minister of Canada and the Postmaster General have to pay postage on all parcels sent through the mails. Our experience shows that this is the best policy. The franking privilege has not been taken away from members of Parliament; they may continue to frank literature sent by book post as well as anything in the shape or form of a letter.

Mr. KNOWLES: If anything is mailed in an envelope the franking privilege may be used?

Mr. PELLETIER: Yes.

Mr. KNOWLES: Many members who have clerical staffs in their home towns have been in the habit of sending home envelopes to be addressed by their stenographers or secretaries, who have the voters' lists and other information at hand; and the envelopes are returned to Ottawa when the work is completed. Under present conditions members have to send these envelopes home by express or by parcel post. I think the taking away of the franking privilege in regard to parcel post is not right. A great deal of the work we do while in this city we do because we are members; a great deal of the expense we incur is incurred because we are the people's representatives. I do not think the minister intended to be small, but I think it was a small piece of business to take this privilege away from members. The hon. Postmaster General says that the Post Office Department has deprived itself of the privilege. To say the least, that is a shallow argument, for my hon. friend knows that with the department it is a mere matter of book-keeping. The department buys the stamps and gets the money that is paid for them; of course, no money is paid out, so that it is just the same as franking. The amount is credited to revenue, of course, and this helps to increase the revenue and to bolster up a surplus, although in these hard times there should not be any surplus.

Mr. BELAND: Why should members of Parliament be asked to pay postage upon parcels addressed to them which do not carry any or sufficient postage stamps?

[Mr. Pelletier.]

Mr. PELLETIER: That is a regulation that applies to everybody. The postmaster should not receive a parcel unless the proper amount of postage is paid and the necessary stamps are affixed thereon. The same thing applies to letters. When a letter arrives at the point of destination, if the necessary stamps have not been put on it, the man who receives it has to pay double the amount of the postage due.

Mr. BELAND: It appears that postmasters in the country receive parcels which are addressed to members of Parliament and are not properly franked. When the members receive these parcels, they are asked sometimes to pay as much as forty cents for postage due. I think this is an injustice. If the postmasters in the country have not received instructions to refuse all parcels addressed to members of Parliament which do not bear the proper frank, we should not be asked to pay the cost of transporting them. I was asked to pay forty cents, I think it was, on a parcel. I did not know where it came from, and I refused to pay the amount. In this case it turned out to be a model sent to me for the patent office. A month later the gentlemen who sent me the model, discovering that it had been lost, came to me and explained the whole matter. Certainly the postmaster should not have received the parcel, and I think that in such cases we should not be asked to pay postage.

Mr. PELLETIER: My deputy informs me that the postmasters have been duly informed of their duty in this respect. Probably some of them overlooked the instructions. We will see that this is remedied.

Mr. EMMERSON: It has not been explained to me why the franking privilege with regard to parcel post has been taken away from members. As an individual member of Parliament I do not ask for the privilege of the free use of parcel post, but I have been a member of this House for fifteen years, and certain small parcels are frequently sent me by constituents. Why should the privilege be withdrawn because of the establishment of parcel post? If the motive is economy, I do not think the Post Office Department is as economical in other directions. If the principle is wrong, withdraw the franking privilege from members; but surely no good reasons have been shown why the privilege heretofore accorded should be withdrawn at this time.

Mr. PELLETIER: I do not object to this discussion, because it is only fair that

people should have a chance to ventilate that grievance, if it is one, on the floor of this House; but I may say that this subject does not come within the scope of this Bill. I shall look further into it, and when the question comes up on the Estimates I shall be glad to say more to my hon. friends.

Mr. EMMERSON: Perhaps the minister will note that in subsection (c) he is given power to establish rates of postage on all mailable matter not being letters. That is with respect to a regulation and he has made the application. Nowhere under the law has the privilege been withdrawn. If the hon. member can point out to me where there has been a change in the law I shall stand corrected; but the mere establishment of the parcel post system in no way changes the law as respects the franking privilege enjoyed by members of Parliament since 1867.

Mr. EDWARDS: I would ask if there has really been any departure from the principle which was always recognized in this House? Has there been any taking away from the members of any privilege? I have always understood that when the House was in session a member of Parliament had a right to frank letters, books and certain parcels from this House; but I have always understood that the general public had the same privilege of sending letters, parcels, books, etc., to any member of this House. In what respect has the principle been violated? We enjoy as members exactly the same privileges as the general public enjoy. Frequently I have had reference made to the franking privilege of members. My answer has been: You possess the same privilege I possess; while the House is in session you have the right to send any mailable matter to any member of Parliament; or to any department of Government at any time free. While the House is in session we have the privilege of sending mail free so that we are on exactly the same footing with the general public. If we had the right of franking parcels from this House, which right was not enjoyed by the general public, it would be a departure from the principle which has always hitherto obtained.

Mr. KNOWLES: The principle which the hon. member lays down is now as it always has been, namely that the member and the constituents in the country have the same right. But to-day neither has the same right that was enjoyed before a certain day in February when the minister changed the whole system, as I stated, in an ultra vires fashion. I have had constituents send me samples of their soil, from different points in my very large riding, to submit to the proper department and ascertain the properties of the soil and the way in which it should be treated. I have had men send me ore. The public have had the privilege of sending such things, but they have not that privilege any longer; they must now pay postage to swell the revenue of the Post Office Department. The only justification for taking away that privilege is penury, economy; and as long as the inspector of the Post Office Department at Sherbrooke can go gallivanting around the country in a $4,500 Packard car, I do not think that they need to economize as much as the minister says in reference to parcel post. I think the minister should reconsider this and not economize on this little matter, but restore to us, as the peoples' representatives, the privileges of the parcel post. I would like to know what the hon. member for Selkirk thinks of this. He is close to the Cabinet, not in it, but I hope he soon will be.

Mr. LEMIEUX: I have read on several occasions in the press a rumour that the Canadian rate of postage on newspapers was to be increased. I do not suppose this will be carried out. The rate is one-quarter of a cent per pound now. Not very long ago I learned that there were loud complaints against newspapers abusing that privilege. Papers were published at one cent per number which did not contain the average number of pages of editorial matter but which contained more or less advertising and stories. The Postmaster General has the right according to the Post Office Act, to decide what is a newspaper and what is not a newspaper, and I daresay he will have to exercise his judgment, because there are these loud complaints from newspapers that their rivals in the business are selling newspapers in Montreal, for instance, at one cent a copy, the annual subscription being $3.00, while the same newspapers, very heavy, containing any amount of advertising and stories, are sold all over the Maritime provinces, after they have passed a certain zone, at only $1 a year. It seems unfair to the regular newspapers that they should have to face such competition. Whilst I am speaking about newspapers, is the minister at present discussing with the British Postmaster General the question of renewing the post office arrangement which I made

in 1907 with the then British Postmaster General, Right Hon. Sydney Buxton, by which the rate of postage on British magazines and newspapers was reduced from four pence a pound to one penny a pound, or from eight cents to two cents a pound in our currency? The arrangement was made because at that time many British organizations and leagues were clamouring for a more widespread circulation of British and imperial news with the dominions. At that time British newspapers and magazines had a very limited circulation in the dominions because they were handicapped by the heavy postage, and as a result here in Canada we were flooded with American newspapers and magazines. The question of increasing the circulation of British publications in Canada came up at that time, notably in the Canadian Senate under the lead of the late Sir George Drummond. I decided to take up the matter with the British Postmaster General, and we came to an agreement whereby British magazines and newspapers should pay two cents a pound instead of eight cents from the British post office to Liverpool, the transit charge from Liverpool being borne by the Canadian post office. The result has been very gratifying indeed. I remember standing one day on the wharf at Liverpool a few months after that agreement came into force, and I asked the captain of the steamer to give me an idea of the increase that had taken place in the number of British magazines and newspapers coming to Canada. I was simply amazed to see the number of baskets and bags filled with newspapers and magazines as a result of that agreement. The figures have since been published, and are very gratifying indeed. In 1906, the year before that agreement came into force, the weight of British publications sent to Canada was comparatively infinitesimal, but the reduction in postage which took place in 1907 has borne fruit as follows: In 1908 the weight of British publications coming to Canada was 2,328,000 pounds; in 1909, 2,910,000 pounds; in 1910, 3,836,000 pounds; in 1911, 4,747,000 pounds; in 1912, 5,785,000 pounds. Fancy what this means to this country where we have so many immigrants from the British Isles, especially in the West. By this arrangement, the newly-arrived immigrant can continue to receive papers from home at a very cheap rate; and besides that, not only our newspapers but our clubs, our associations, and our public men can afford to receive the news from the right centre. It was stated on many occasions when we were discussing in this House the reduction of the cable rates that nearly all our papers both in the West and the East received tainted news from American sources. Personally, I do not believe that the news service is

9 p.m. tainted, but yet if it comes via New York the news has first been addressed to New York papers, or perhaps to Chicago, or San Francisco, through American agencies and for American consumption, and then it is served afterwards to the Canadian public. The difference in the news may not be great, but when you compare it with the British dailies that arrive a week or two afterwards you find quite a difference; and that is why, on both sides of the House, we have been endeavouring for the last few years to get better postal regulations and cheaper telegraphic communication between the mother country and Canada. I was reading the other day a letter in the London Times of Monday, 6th April, signed by Evelyn Wrench. I dare say Evelyn is a feminine name but there are so many strange names in English that I am not quite sure.

Mr. GEORGE E. FOSTER: It is not a feminine name in that case.

Mr. LEMIEUX: At all events it matters little—so much the better if it is feminine. With your leave, Mr. Chairman, I will read a few extracts from that letter because the correspondent has travelled in the dominions since the arrangement of 1907 was made, and it is interesting to know what his experience has been. The article is headed, 'Canadian Magazine Post'—'Great Imperial Issue,' and reads as follows:

To the editor of the Times:

Sir,—So much of our attention is focussed on problems at home at the present moment that there is a danger of the non-renewal of the Canadian Magazine Post Agreement, a matter of vital importance to the empire, being overlooked.

I might say, en passant, that when my hon. friend the present Postmaster General saw that the ocean transit reached a high figure he insisted that the British post office should share in the cost. I do not know what he has decided, but no doubt he will give us his views in a few moments. The letter continues:

And yet it is not too much to say that the question of Canada's ultimate destiny and the real fate of the empire—that is, of the self-governing dominions—will be decided, not in

Downing Street, but in the prairie provinces of Alberta, Saskatchewan and Manitoba, and in British Columbia. Can the hundreds of thousands of Americans and foreigners who have taken up residence in the 'last best West' during the past twelve years and the millions of future settlers be made to realize that Canada's destiny lies as a self-governing nation within the Britannic system and not outside?

That is the crux of the Imperial problem, and those who are most closely in touch with Canada and Canadian conditions feel that one of the most useful pieces of empire work which can be performed is the sending to Canada of the best English literature and the publication of accurate British cable news. Both are equally important. No one can over-estimate the benefits resulting from the Canadian Magazine Post Agreement of 1907, entered upon by Mr. Lemieux and Sir Sydney Buxton. On every visit to Canada subsequent to that date one could not fail to be impressed with the enormous increase in the sale of high-class English publications. Before 1907 it was the exception rather than the rule to find English newspapers and periodicals in the Canadian home. In those days Canada was almost entirely dependent for current literature upon the United States. Even to-day the sale of American magazines in the Dominion reaches an enormous total, but they no longer occupy that unchallenged position which was theirs prior to 1907.

During a recent tour which extended from the St. Lawrence to Prince Rupert, B.C., I was impressed with the great facility with which British publications can now be obtained in even the smallest prairie township, while the words 'English mail just arrived' are a frequent sign outside the local news store in all parts of the Dominion.

It goes on to say:

One of the things which most impresses the visitor to Australia, New Zealand and South Africa familiar with Canadian conditions is the wonderful cable service of British news, and not only news of Great Britain, but of the outside empire as well, to be found in all the leading newspapers in those dominions. Or to put the matter in another way, the visitor to Canada acquainted with conditions in the other self-governing dominions is shocked at the meagre British cable service, and, above all, at the distorted statements which percolate through by way of New York. Society divorce cases, extraordinary statements concerning our leading public men—hashed up with all the skill of the American newspaper writer—meet the eye on all sides. Till Canada receives all its British news direct from London, as do the other self-governing dominions, matters can never be regarded as satisfactory. All the more need, therefore, to strain every nerve to promote the widest dissemination of current British literature, as has been effected by the existing Canadian magazine rate, which only remains in force for three more months.

This question has attracted some attention in England and I noticed that a few days ago a delegation met the present Postmaster General in England, Mr. Hobhouse. but from the answer which was published in the press I am afraid that the British Postmaster General is not much inclined to alter the agreement so as to meet the views of my hon. friend the Canadian Postmaster General. But I dare say that as my hon. friend has greatly increased the ocean mail subsidy from $600,000 to $1,000,000—I think that is the amount—

Mr. PELLETIER: Yes.

Mr. LEMIEUX:—if there are difficulties in coming to a satisfactory arrangement with the British post office, he will find means of continuing the service. I am not more British than the King, but still I am British enough to be willing to go at least half way in this matter. When we took up this question in 1907 we found that in the mining camps at Cobalt and elsewhere our people were provided with very cheap magazines and with questionable newspapers. We thought that by facilitating the circulation of British newspapers and magazines we might perhaps render a real service to the Imperial cause in Canada. The arrangement has proven very successful indeed according to the figures I have quoted to the House and I sincerely hope that my hon. friend will do his best to induce the British authorities to renew it. It would be a great pity indeed if the Postmaster General in England were to re-enact the old prohibitive postal rate as regards newspapers and magazines mailed to Canada. Quite a trade has been established in Canada. As this correspondent, Mr. Wrench, states in every little village, in every township in the West, you find the board at the railway station with the announcement that the British mail has arrived, or will arrive at a certain date and there also you will find for sale, quite a collection of British magazines and newspapers. I think that my hon. friend should strain a point in order to meet the views of the British postmaster and see that there is a renewal of the arrangement.

Mr. PELLETIER: The matter of which my hon. friend from Rouville (Mr. Lemieux) has spoken is a very important one. I would not like to go into all the details at the present moment because the whole question is the subject matter of negotiations between the British and Canadian post office departments. I am heartily in sympathy with almost everything that my hon. friend has said on this subject, but I think that, whilst he has shown that he is well posted on nearly all the details, there is one aspect about it upon which he is mis-

taken. He says that the effort of the department should be to get the British Postmaster General to renew the agreement. It would be rather an easy matter indeed to do that. That is what he is asking for but I think that my hon. friend will remember that what the Post Office Department did under his direction and guidance in this respect was not absolutely on the lines which he has indicated. The general outline of it is all right as expressed by my hon. friend but there are some details that are of importance. It is absolutely true, as my hon. friend has said, that before that change was adopted by the Canadian post office in 1907, American literature in the shape of magazines was coming into this country in large volume. We had few British magazines. My hon. friend, when he was Postmaster General, saw fit to enter into an arrangement with the British post office by which, for a certain number of years, it was provided that British magazines should come into this country on most favoured terms. This arrangement was for a period of four years. It was entered into in 1907. It has been continued during the four years in question and after its expiration it was renewed for a further period of one year. After I came into office I thought that the policy adopted by my predecessor was a good one in many respects and I renewed the arrangement for a year. But when the arrangement was renewed the British post office was informed that when the year upon which we were then entering had expired probably some other arrangement would have to be made.

It is important for hon. members to know what those arrangements are, so that they may be able to form a correct opinion in regard to the matter. On the British magazines which come to Canada the British post office collects postage at the rate of one penny or two cents per pound to pay for their carriage from London to Liverpool, a distance of 210 miles. The British post office gets that money; whilst Canada takes these same magazines at Liverpool and carries them to any point in Canada, as far as Vancouver or Victoria, and gets absolutely nothing for so doing. The British post office gets two cents per pound for carrying these magazines 210 miles and we get nothing for carrying them five or six thousand miles. That is the present condition of affairs. I do not intend to pass any judgment on it or to ask the House to do so. The American magazines coming into this country pay a postage rate of four cents per pound or one cent for four ounces. We have suggested to the British post office that the penny which they collect should be divided between Great Britain and Canada—that they keep one cent for their 210 miles and we get one cent for our five or six thousand miles. I think this is offering a pretty fair bargain. If we succeed in making that arrangement, the British magazines will continue to come into Canada for one-half of what it is costing the American magazines to come here. As a matter of fact, the object for which the old arrangement was entered into is exactly as stated by my hon. friend the member for Rouville (Mr. Lemieux), namely, to encourage British literature to come into this country, and this object has been attained. When this arrangement was entered into, there were less than 500,000 pounds of British magazines coming to Canada. My hon. friend from Rouville told the House that there were over 2,000,000 pounds at a certain time.

Mr. LEMIEUX: In 1908, 2,328,000 pounds, and in 1912, 5,785,000 pounds. The quantity is increasing all the time.

Mr. PELLETIER: Who benefits by that increase? There is no question that Canada does; but the publishers of these magazines also reap a great benefit. The British post office has realized every year $100,000 for carrying these magazines from London to Liverpool; and it seems to me that we are very reasonable if, now that the object has been accomplished, now that we have succeeded in getting these magazines into Canada, we ask the British post office to share with us the two cents postage.

The old arrangement was renewed in 1912 for a year. In 1913 the British post office asked us to continue it for another year. We said: In order to give you time to consider the matter, we will continue it for six months. The arrangement was accordingly continued up to the 1st of December last, and then the British post office asked us to extend it for another period of six months. We said: We will extend it for another three months. When those three months were up, they asked us to extend it for another six months. It suits them very well to extend the arrangement from time to time, because during all that time they are collecting all the postage. We have again extended the arrangement for another period of three months, which will expire at the end of July. Meanwhile we hope—in fact, we are almost sure—that we shall come to some reasonable agreement under which these

magazines shall have a kind of preferential rate, because that is what they are getting to come to Canada. My hon. friend from Rouville knows that whatever we do in this matter is not in any way, shape or form going to hurt the editors of these magazines, because they do not pay us anything at all. They do not deal with us; they mail their productions in the post offices in Great Britain. The British post office pays the Canadian Government the international postal union rates on all mail matter which comes to Canada under the Canadian Government contract for the carrying of the ocean mail. If this temporary agreement had not been entered into, the British post office would have paid us on these productions the same rate as they paid on all other kinds of mailable matter. They have been exempted from doing so, and the whole question resolves itself into this: Will the British post office pay to the Canadian Government on these magazines, not the same amount as they pay on other available matter, but a proportion of it; or will Canada carry for nothing these magazines for all time to come? After all, the present arrangement is an encouragement to the editors of British magazines. We have gone very far to help them, and we are prepared again to help them; but we would like the British post office to meet us and to come to some other arrangement which would continue the preference which these magazines get at present. We think that the British post office should come, not half-way, but some little distance, in order to meet us in this matter.

Mr. OLIVER: Is not the position in regard to this matter of postage on magazines exactly the same as the matter of postage on letters, namely, that each country collects its own postage on matter going to the other country, and carries the matter that comes from the other country free? I understand that that is the principle.

Mr. PELLETIER: Yes, but there is some distinction. When the letter is mailed in England, people put on their stamps there and that goes to the British post office, but the British post office pays the Canadian Government thirty-five cents a pound for all letters which come over on our steamers, while as for those magazines the British post office, under the present arrangement, has not paid one cent. That is the point of difference.

Mr. LEMIEUX: My hon. friend has here an illustration of what free trade means. He says we should get one cent out of the two cents a pound on newspapers and magazines collected by the British post office from London and Liverpool. But the British Postmaster General might perhaps answer my hon. friend: Well, when we send goods to Canada we meet with customs duties ranging from twenty-five to sixty per cent. Of course, you Canadians love the mother country, you love the empire, but you tax the goods sent from England to Canada, while you send your manufactured goods and all your products to Britain without paying duties, and Britain is, after all, your best customer.

However, that is not the issue at the moment; I simply bring it in to show my hon. friend that the Postmaster General in England could make a very good rejoinder to his argument. He must not forget that special treatment was given to Canada by Great Britain, that is to say a special alteration in the postal laws was made in England so as to meet the case of Canada.

Mr. PELLETIER: Special treatment?

Mr. LEMIEUX: Yes. This arrangement does not exist with the other colonies or dominions, but only with Canada, and possibly Newfoundland. Therefore it was just to meet the special Canadian case. My hon. friend must not forget that if Sir William Mulock and the Canadian Government were able, in 1897, to obtain penny postage on letters addressed to any part of the empire, it was due to the bold action taken by the British postal authorities. Canada, of course, took the lead in that matter, and was foremost. The reduction from three cents to two cents had been promoted in Canada and by some parties in England, but unsuccessfully, for a period of ten or fifteen years. I remember reading the procès verbal of the Imperial Conference discussion on that subject. If the hon. gentleman will refer to the reports of the various conferences he will see how reluctantly the British authorities yielded at last. But it was due to that acquiescence of the British post office that Canada obtained the reduced rate of postage throughout the whole of the British Empire. It was done at the request of Canada, it was given after a very able presentment of the case by Sir William Mulock. It was a masterly stroke, and no one will question to-day that this reduction in postal rates in all parts of the British Empire has created an immense

amount of good. Now, there is give and take in these matters. I know the post office in Canada loses some thousands of dollars—

Mr. PELLETIER: Fifty thousand.

Mr. LEMIEUX:—but is it worth while for the Postmaster General to destroy this intellectual preference between Great Britain and Canada because of the paltry sum of $50,000? When I tell him that we tax British goods while England accepts our products duty free, and when we know that England has yielded to the request of the Canadian post office to establish penny postage throughout the empire, should we not compromise?

Mr. PELLETIER: If the hon. gentleman will allow me, I will draw his attention to the fact that the amount of $50,000 would be the amount we would get if the two cents, which is now collected by the British post office, were divided between the British and Canadian post offices. But the amount which the British post office would have to pay the Canadian Government if the rates that apply to this class of business were collected is $235,000. That is the extent to which the British magazines benefit by the present postal arrangement. The only suggestion made now is that instead of imposing the same rates as we do on foreign magazines, the amount that is collected should be divided between us. I think the hon. gentleman will agree with me that this is not a matter of trade arrangement between the home Government and our Government. I take it that this is purely and simply a matter of arrangement between the British and Canadian post offices. Of course, if we go further and say that since England takes our products without charging us duty we should therefore yield this benefit to England, I think that we are driving far afield from the real point at issue. England is a free trade country and does not charge high customs duties on Canadian products or on products from any other country in the world. This is not done as a special benefit to Canada; it is the free trade policy of England. It is for that reason, no doubt, that the British Government has not brought forward the argument mentioned by my hon. friend, and I do not expect they will do so in the future. I hope the new British Postmaster General will be able to meet us and to make another kind of agreement which will be helpful and continue to be helpful to the British magazines, without leaving the poorer government of the two, that is the Canadian Post Office Department, to bear the whole cost without any remuneration whatever. That is the whole point at issue, and the only one. The hon. member suggests that this should be an entirely one-sided arrangement. It has been so for seven years. The object has been attained, because we do not get now much more than the five or six million pounds to which the hon. gentleman referred as coming in in 1910. It is not increasing very much, and I take it that if we leave the foreign rate at four cents a pound and the rate for British magazines at two cents a pound, they will have had a full realization of the hopes they entertained at that time. The reasons for entering into that agreement are on record. It was stated that if this preference were given for three or four years, the British magazines would be enabled to get a strong foothold in this country, and that they could then be put on the same footing as the others. They now have a strong foothold in Canada, and I hope that hon. gentlemen on both sides will join with me in trying to meet the new situation which is thus created. We have had to increase the ocean mail subsidies by a large amount, and we have had to increase the amount paid the railway companies for the transportation of our mails. They carry our mails on a car mile basis. Under the new arrangements we are going to carry 6,000,000 lb. of British magazines a year, and we will have to pay the railways sixteen cents a car mile or nine cents a car mile, as the case may be, for the carrying of this mail matter. Under these circumstances I think that the British Post Office Department should meet us, and I hope they will. The British publishers of these periodicals had a meeting with the Right Hon. Mr. Hobhouse the other day in London. Some of them told him that the Canadian post office was right in its contention. They said that they appreciated what the Canadian Government had done. The English press—the Times, for instance—say that the Canadian Post Office Department is taking a reasonable view of this matter. The answer Mr. Hobhouse made to the publishers was that they might increase to a very small extent the subscription prices of their publications. They in turn tried to put the shoe on the other foot; they told Mr. Hobhouse that he should consent to our request without asking for any increase in the charges. In a matter like this all the members of the Canadian Parliament should be of one mind, and while

we do desire to continue to give preference to the British magazines, the Canadian post office should not bear all the burden; the British post office should do its share.

Mr. LEMIEUX: I would impress upon the hon. Postmaster General the advisability of coming to an understanding, even if the same agreement should be renewed, because the matter of a few thousand dollars should not stand in the way of an agreement which, from the moral as well as from the imperial point of view, has worked so wonderfully well during the past few years. My hon. friend has referred to the delegation which met Mr. Hobhouse on April 21. For the information of the committee let me read briefly what was said to the British Postmaster General. A despatch which I have in my hand says:

Hon. Harry Lawson, for the Empire Press Union, who organized the deputation, said the matter was one of more than mere pounds, shillings and pence. To raise the rate would be a retrograde step, unprecedented of its kind. The reduction in 1906 meant that British magazines for the first time were able to compete with the American publications. The amount of magazine matter now carried totals a value of 6,000,000 pounds yearly, more than half of which was sent to Canada by private persons.

This means that the connection between the British immigrant to Canada and his home in the old country is not broken, and that means a great deal for all those who believe not only in the desirability of that connection but also in the value of British literature generally. Certainly this agreement has worked wonders since it was entered into. Mr. Lawson says that half of the 6,000,000 pounds of British magazines and newspapers carried are sent not by publishers but by relatives of our immigrants in the West. He goes on to say:

Publishing firms here had instituted canvassing campaigns in Canada, with very successful results.

Even a minor change in the rates will destroy that business, and it is one which ought to be encouraged—the dissemination of news and the distribution of pure literature. The article goes on:

Any change in the cost of carriage would have a serious effect on an important industry. The cost to the British post office of maintaining the present rate was estimated at not more than £13,000,000 yearly.

Sir George Riddell spoke specially on behalf of fictional matter provided for Canadian reading. He told the Postmaster General that the American system of love-making differed from the English method, in fiction especially, and the English publishers were anxious that the young people of Canada should be instructed in good English ways in such matters.

Points made by subsequent speakers were that before the present rates came into force, American magazines sold in Canada for fifteen cents, as against twenty-five cents charged for the English magazines, and that nowadays forty per cent of the magazines circulated in Canada were of English origin, as against about five per cent under former conditions.

The business in British magazines has therefore increased from five per cent to forty per cent of the whole magazine business of Canada. I know my hon. friend's position; the agreement was made by the Canadian post office, and we have gone a long way to meet the desires of our people and the demand of the publishers of the other side. The agreement has been in force for several years; it has been wonderfully successful from a purely imperial as well as from a literary point of view. I have no hesitation in saying, with all due respect to American publications, that the British publications are in my judgment far superior to other publications in the English language. Now that the British magazines have reached the highwater mark of forty per cent, any retrograde steps taken would surely not be in the interests of Canada. Again I ask my hon. friend to do his very best to see that this agreement is renewed; even if the Canadian post office should lose a few thousand dollars by not charging the British post office for the ocean transit, let him do so. I think it is in the interest of the country.

Mr. GEO. E. FOSTER: I want to say one word, and I do it because I would not like the British Postmaster General to feel that the argument which has just been put forth by my hon. friend is the prevailing sentiment of this House or of this committee, if it were to be interpreted in the sense that it was supporting the British Postmaster General in refusing to meet what I think is a very fair proposition made to him by our own Postmaster General. I of course quite understand and fully appreciate the desirability of literature of the kind which has been described to-night coming from the centre of the empire to our own country in increasing quantities; but there are two sides to this question. Whilst we are willing to do much and suffer much and bear much and put our whole effort into extending and increasing that sentiment, it is equally important, I think, that the mother country should have just as strong a voice and as strong tendencies in that direction as ourselves. I cannot see for my part how it is possible for the British Postmaster General to refuse to accede to the

very moderate proposition that has been put to him by our Postmaster General. Where we carried almost nothing a number of years ago we are now carrying six million pounds of magazines. We are carrying these absolutely at our own cost and charges. I am quite willing that we should carry that and twice as much as that at our own cost and charges if it is necessary; but I would like the arguments and the views to be put as strongly as possible in the mother country that the imperial sentiment is as much to them as to us, and that therefore they ought to be willing to bear their fair share of the burden.

Mr. OLIVER: The Postmaster General gave us information that the letter postage from Great Britain to Canada paid thirty-five cents a pound for the ocean transport.

Mr. PELLETIER: To the Canadian authorities?

Mr. OLIVER: To the Canadian authorities. Does not the Postmaster General think that the price is fairly high? It seems to me that thirty-five cents a pound for the transport of the mail matter across the ocean, when the freight rate is exorbitant at one cent a pound, is really not helping out the transport of information across the ocean.

Mr. PELLETIER: These are the Postal Union rates.

Mr. OLIVER: I am only saying that is not a low rate and the country is not losing anything on that side of the transaction, or if it is it ought not to be.

Mr. PELLETIER: We lose heavily.

Mr. OLIVER: Under what circumstances and conditions do we pay this amount? I understand the British Post Office Department pays our department and our department pays the steamship lines. To whom do we pay more than thirty-five cents a pound for the carriage of our mails across the ocean?

Mr. PELLETIER: To the steamship companies.

Mr. OLIVER: What companies?

Mr. PELLETIER: Four.

Mr. OLIVER: Are these the same steamship companies that we pay a million dollars a year subsidy to?

Mr. PELLETIER: That is the amount we pay for the transportation of our mail, one million dollars; that covers everything. That is the amount of the contract. There are four companies, the Allan, the Canadian Pacific railway, the White Star and the Canadian Northern railway lines have entered into a contract with us under which we pay to the whole of them one million dollars a year for transportation of all mails from Canada to Great Britain and the return mail from Great Britain to Canada.

Mr. OLIVER: Therefore, really it does not make any difference to us whether we carry one ton or one hundred tons of mail matter or what rate we may be charged for it; we pay a fixed amount to the steamship companies, and we get such service as they give us for that.

Mr. PELLETIER: My hon. friend is mistaken in that last statement. This year the steamship companies have approached the Post Office Department, and I think the Department of Trade and Commerce, and they have told us that the increase in the amount of mail matter is such that we would have to increase our price. But there is another more tangible point. When we come to take these magazines at Halifax or St. John in winter and to Quebec or Montreal in summer we pay for the transportation of these six million pounds sixteen cents a car mile.

Mr. OLIVER: I am only getting down to the ocean transport, and it is still in my mind that although, as a matter of bookkeeping, we are paying 35 cents a pound for the carriage of the mail, as a matter of fact we are not paying anything; we are paying a million dollars a year for the purpose of establishing a steamship monopoly between Canada and England. We are not paying anything for the carrying of mail; the carriage of mail is an incident subordinate to the payment of subsidy, which we pay whether they carry a pound of mail or not.

Mr. PELLETIER: We have the right to put all our mail and all United States mail which may go through Canada on board these steamers, and they are obliged to carry all the mail from Great Britain or other European countries to this country. That is a flat rate arrangement. It covers the whole world.

Mr. OLIVER: If we were not sending or receiving a pound of mail by any of the steamers of either of these four lines we

would be paying one million dollars just the same.

Mr. PELLETIER: But we would not make the contract.

Mr. OLIVER: The contract being as it is, whether they bring a pound of mail or not, they would get the one million dollars.

Mr. PELLETIER: It is a mail subsidy we are giving these companies.

Mr. OLIVER: As a matter of fact, it does not make any difference to the Canadian Government in cash whether they bring five million pounds of magazines or not, it is costing not one cent for ocean transport over what would be paid whether the magazines came or not.

Mr. PELLETIER: It does not look like that to me. The proposition of the hon. member for Edmonton is one that cannot happen. The British magazines that come from the old country have their subscribers in this country, and there is always a certain amount of this matter to be carried. The amount of mail coming over is almost as regular as clockwork, except that it seems to increase in weight and size. The amount of mail matter carried in steamers has increased immensely. We have not seen as yet—and I do not think we ever shall see—any one of those steamers coming in without any mail. If the hon. member for Rouville could see the mail being landed at Rimouski or Halifax or Quebec he would be amazed at the large amount of mail matter brought by every one of those steamers. At Quebec, in the summer time, I have seen as many as twelve or fourteen full carloads unloaded from the steamers.

Mr. OLIVER: We need not dispute about that; we know the mail comes on those steamers, but I was wishing to get clear in my mind the point the hon. minister was making that we were sacrificing in cash a large amount for the benefit of the English magazines, which cost should be borne by the British post office. I am only wanting to get clear in my own mind and in the mind of Parliament that as a matter of actual fact the coming of these British magazines does not cost the Dominion of Canada one cent, so far as their transportation across the Atlantic is concerned. The British Post Office Department does not pay the Canadian Government 35 cents a pound as it does in the case of letters. In my humble judgment, the Canadian Post Office, in the slang of the day, is 'putting one over' the British Post Office Department when it charges 35 cents a pound for mail matter carried on these steamers. But we will not find fault with that; we are glad to see the Post Office Department showing a due dilligence in the collection of revenue, especially revenue that is not collected from the Canadian people. We do not wish the argument to be made, however, that Canada is actually making a sacrifice in cash when, as a matter of fact, she is not making any such sacrifice. In regard to transportation of mail by rail in Canada I wish to deal with the subject matter of this section, and there is some little connection between the point I had primarily in mind and this carriage of English magazines. We pay a certain rate to the railway companies for carrying our mail matter through Canada. Do we pay by the pound or by the car mile?

Mr. PELLETIER: By the car mile.

Mr. OLIVER: And it works out something on the same principle as in the case of the steamers. If we have no mail matter to load, we pay just the same as if the car were full. Is that correct?

Mr. PELLETIER: No. We pay by the car mile, but if we need only half a car we pay for only half a car; that
10 p.m. is, we pay for the space we use. So, whatever the worth of my hon. friend's argument in the case of sea transit, he will have some trouble in arriving at the same conclusion in regard to mail carried by rail.

Mr. OLIVER: I just wanted to get the facts clear in my mind. I wish to deal with the matter of newspaper transportation, which was brought up by my hon. friend from Rouville. I notice that the section of the Bill gives authority to the minister to establish the rates of postage on all mailable matter 'not being letters and prescribe the terms and conditions, etc.' I am sure the question has been before the Postmaster General very frequently, and as he must have come to some conclusion on the matter, I think it is in order that he should tell the House what his conclusion is. He is asking for power; let us know how he proposes to exercise that power.

Mr. PELLETIER: That is in the old law.

Mr. OLIVER: It is not the old law, but the new conditions that are the question.

The law expressly places the responsibility on the Postmaster General, and gives him due authority, and we would like to know how the minister proposes to deal with this question. I am speaking of a question that I am sure has been brought to the attention of the minister very frequently, that is, as to the postal rates on newspapers of different classes, and the question of drawing a distinction between newspapers which are published primarily for the purpose of carrying advertising, and newspapers which are published primarily for the purpose of distributing news.

Mr. PELLETIER: I have not reached any conclusion so far, but the matter has been the subject of a good deal of thought and care. We have taken this matter up with the Canadian Press Association, and have asked them to meet us with the view of coming to some arrangement. We are very desirous to arrange this matter by consent, and I must say that the Canadian Press, Limited, and the Canadian Press Association have shown a good deal of the right spirit in this matter. They have sent delegations to us, and have appointed a committee to look into the matter. That committee has made a report to them, which they have adopted. They have sent a second delegation to the Post Office Department to try to come to some conclusion. We have not been able yet to come to a complete agreement, but I may say we have agreed on certain points of detail, and we hope to be able to come to a complete agreement some time after the session. I have had no time lately to devote to the matter, but when you realize that in this country the newspapers only pay one-quarter of a cent per pound for postage to be carried all the way from Vancouver to Halifax, or vice versa, and that in England they pay one cent per copy—

Mr. LEMIEUX: Ours is the cheapest rate in the world.

Mr. PELLETIER: My hon. friend who has been Postmaster General knows that. There is not a country in the world where such rates are in existence. The rates do not begin to pay for the cost. In the United States the rate is one cent per pound. I may say to the credit of the newspaper men that they agree that our rates are not high enough, and they have admitted that in black and white in their report, which is now on file in the Department. We have gone pretty far in the way of effecting an agreement when they have reached the conclusion that the present state of things cannot continue. Just what changes will be made, is another question. Some newspaper proprietors suggest that we should increase the rates in a certain way, and others suggest a different way. I would like to say that the different suggestions which have been made would be to the greater or less benefit of the owners in question. They have however shown a good deal of public spirit in the matter. The rates will be and I hope it will be done with the consent of the newspapers. My hon. friend from Edmonton (Mr. Oliver) will realize that it would be a somewhat difficult matter for the Postmaster General to antagonize all the newspapers in the country and it is not a very desirable thing to do, although, if it should come to that, I want it to be understood that as a matter of public duty I would not hesitate to do it. But, I prefer doing it with their consent. However, I am happy to say, that they have met us fairly, and I think that next session I will be able to tell this House that we have reached a certain point and that we have made some progress.

Mr. OLIVER: I do not wish to delay the committee on this question but I wish to state the views which I hold. The newspaper rate of postage in Canada is no doubt very low. It was made low in order that the literary matter published by the newspapers might reach as large a proportion of the population as possible. It was recognized that it was a country of vast area with a comparatively small population and that the conditions being exceptional it was desirable to disseminate the newspapers at the lowest possible cost. As my hon. friend (Mr. Lemieux) has spoken of the arrangement in regard to British magazines, it was understood to be an intellectual preference. At this time conditions have changed. We have entered upon an era of newspaper publication wherein, from year to year, the newspaper is published rather as a vehicle of advertising than as a means of disseminating news and opinions. Just in proportion as the newspaper expands as an advertising medium, as compared with its value as a news service, it departs from the conditions that warranted the low postal rate that was given to newspapers in the earlier days. I do not think that a newspaper which is published primarily as an advertising medium is entitled to the rate of postage it

would have been entitled to if it were published primarily as a vehicle of news or opinion. I would be sorry that any increase in the postal rate should apply to newspapers published primarily as newspapers. I think it would only be just to the country and to the newspapers that are published as newspapers rather than as advertising mediums that there should be a difference of treatment between these two classes of so-called publications. I do not lay down any rule, I do not suggest any division, I quite appreciate the difficulties that will have to be met, but as one who has published newspapers for a long time I would resent very much any increase in the burden of legitimate newspapers whereby they were compelled to carry that burden which is levied by the Post Office Department by reason of these papers published as advertising mediums rather than as newspapers.

The low rate that was given to newspapers was given as an intellectual preference and so, if the department is carrying that quantity of paper under the name of newspapers which are really advertising mediums at a price much below the cost, my hon. friend has no very good case to demand with any serious strength a radical revision of the rates in regard to the British magazines. Let us put our own house on a business basis before we undertake to dictate to the people across the water how they must do business. I was more than astonished to hear some gentlemen who so eloquently and so vociferously undertook a year ago to insist upon making a free gift of $35,000,000 to the Government of Great Britain to-night protest that it was necessary as a matter of good business that the British Post Office Department should pay, or help to pay, for the carriage of British magazines across the ocean when that carriage does not cost this Dominion of Canada one extra cent.

Mr. BORDEN: My hon. friend (Mr. Oliver) is more inaccurate than usual in the statement he has made just now. The $35,000,000 that we proposed last year was to be used for the construction of ships to remain in the ownership of the Canadian people, and to be placed at the disposal of His Majesty for the common defence of the empire until recalled. As far as his argument is concerned in regard to some other matters that he mentioned, he might as well say that we could carry all the letters and other mail matter from the United States to Great Britain without charging anything for it and not be out of pocket, as to make the argument that he has made in regard to these magazines. As I understand, the Canadian post office, in respect to the transmission of mails across the Atlantic, acts as a courier, and charges the United States Government, for example, certain rates, not rates fixed by the Post Office Department, but fixed by an international arrangement, and charges the British Government or any other Government, for these mails, the transportation of which is arranged for by this Government through a mail subsidy of $1,000,000. While in one sense, of course, if we did not charge the British Government, the United States Government, or any other Government, we would not be out of pocket if we should continue to pay that $1,000,000; still it would hardly be a very good argument that we should give up charging any of the nations of the world for the transmission of their mail matter across the Atlantic. The magazines that have been alluded to by my hon. friend the Postmaster General are precisely in the same category as any other mail matter. The Postmaster General has merely suggested to the British Postmaster General that, inasmuch as a penny a pound is charged upon these magazines, a reasonable proportion which he has suggested to be a half, should be paid to the Canadian Government for the transmission of these mails by the Post Office Department of Canada as a courier across the Atlantic and by other means throughout our territory as a reasonable compensation for that carriage.

Mr. WILLIAM CHISHOLM: On the item before the House we have been discussing the franking privilege, the character of the literature that goes through the post office, and mailing privileges generally. Therefore I think I am in order if I ask the Postmaster General whether or not the sheet called The Liberator, with which he is familiar, published in the city of Ottawa, is accorded the privilege of the mails. I am not a subscriber to that paper, but I receive it regularly through the post office here. I do not know whether postage is paid on it or not. The reason I ask that question is that I observed in the last issue that the editor or publisher had some fears of the present Postmaster General. The paper stated editorially that the present Postmaster General was watching it pretty closely, and that there was some diabolical influence behind him that was likely to make trouble for it whenever the Post-

master General could screw up enough courage to make the attack. So far as the editor of that paper is concerned, it seems to me, in view of the courage and strength and forcefulness which the Postmaster General displayed with reference to the sheet called the Menace, which is characterized as scurrilous, indecent and immoral, that there should be no cause for anxiety or misgiving in the breast of Mr. Morgan at all. I would like, however, to have some official statement from the minister as to whether or not this paper has the privileges of the mails. I know it does not have very much circulation outside the city of Ottawa, but in Ottawa it is known and has been denounced by all the leading clergymen of the city.

Mr. PELLETIER: The Liberator, published in Ottawa, does not go very much through the mails; its circulation is almost entirely in the city. I understand from the deputy minister that this paper has been warned that it must not publish any immoral literature, and on that condition the privileges of the mails have been given to it. I have not the pleasure of reading that paper as carefully as my hon. friend; but I hear from him to-night that it says that it is being watched. It is not being watched by me at all events; but there are officers in the department whose duty it is to watch all that is going through the mails, not from the point of view of religion, but from the point of view of decency and public morals, and the Liberator or any other paper, whether Protestant or Catholic, which does not come within that rule, will be dealt with in the same manner.

Mr. KNOWLES: Since the Menace has been mentioned, and as it was I who first placed the question on the Order Paper, I wish to ask the minister why he ruled first that the Canadian Menace should not be allowed, and later ruled that it should be allowed, the privileges of the mails. I am not at the moment asking him to enter into a dissertation as to the merits of the Menace or as to his own personal view of it or as to the view of his deputy minister or of any one in his department, although in one of his letters he hid behind the fact that his deputy minister happened to be a Protestant. It is not a matter of concern to us what is the religion of the deputy minister or whether he has any religion. We vote the deputy minister his salary; and, as we all have troubles of our own, we have not the time to consider the religion of the deputy minister. In answer to my question the minister said that the Menace of Aurora, Ontario, was denied the mails for the same reason that the Menace of Aurora, Missouri, had been denied, namely, because it was scurrilous and indecent and immoral. I wish to ask him, because I think the public have a right to know the reason, why later on he admitted the Canadian Menace to the privileges of the mails.

Mr. PELLETIER: I gave a full and complete answer to that question only a few days ago. My answer will be found on 'Hansard' and I would like my hon. friend to read it. The reason for which the Canadian Menace was refused the privileges of the mails in the first instance was that it was going to be a Canadian edition of the scurrilous sheet published at Aurora, Missouri. Later on the Canadian Menace acknowledged that we were right in our contention that it had no right to publish dirt and filth, and promised not to do so; consequently it was given the privileges of the mails.

Mr. GAUVREAU: Some time ago the hon. member for Rouville (Mr. Lemieux) stated that the paper, the Liberator, published in Ottawa, came through the mails and was put into our boxes. The Postmaster General very frankly said at that time that this matter did not come under his supervision, but was under the control of the Speaker. If I remember aright, the Speaker told us at the time that he would see that this would not occur again. We have been surprised to see that this paper, though without any franking privileges at all, is placed in our boxes. I would like to know if the Speaker has forgotten or if he is going to give new orders. We do not want to see this paper in our boxes.

Mr. SPEAKER: I did not make that statement. What I said was that my attention had never been drawn to the matter, but that I would look into it and endeavour to see who had the authority and what the nature of the sheet was. I made inquiry and was told that the censorship over all mail matter was exercised in the Postmaster General's department, and therefore the House of Commons had nothing to do with it.

Mr. GAUVREAU: But what I should like to know is how it happens that this paper is placed in our boxes, not franked, with nothing to show from what source it comes or by whom it is placed in our boxes. Is the responsibility on the Postmaster Gen-

eral? I am afraid it is. Is it on the Speaker? If so I hope you will be more careful in the future.

Mr. LEMIEUX: I think the House will see that a radical change is made as regards the insurance of letters. I do not wish to delay the committee, but I think the House is entitled to the information.

Mr. PELLETIER: We have the power of insurance now. We are making a distinction between the power of registration and the power to insure. The two are now mixed up. We are limiting it now to $25, as compensation which people who register mail matter should have the right to claim as a result of the loss. This is carrying into effect a proposal which I explained last year, and it will enable those who wish to do so to insure their parcels going through the mails. This is done, if I mistake not, in all countries where parcel post exists. We thought, and I still think, that we might have that power, but there was some doubt expressed about it, so we thought it best to come to Parliament and have the whole thing on the statutes so that there might be no mistake. We are going to keep to the five cents for registration fee. We will make the charge for insurance of parcels not large, but we may have to charge a little more for insurance purposes. Our present intention, as advised by the officers of the department, is that the proper limit would be $50.

Mr. LEMIEUX: Insurance brokers are taking advantage of the Post Office Department in this way: they insure parcels, so to speak, and really they do not insure them, but they profit by the registration of the post office and are satisfied with paying the small amount of five cents instead of paying for the regular insurance, and in that way they are taking away the money due the Post Office Department. I understand that the amendment is to cover that point.

Mr. PELLETIER: The hon. gentleman has put it exactly as it is. I was coming to that point. Money is taken by some companies and for it a receipt is given, and they undertake to carry it to the point of destination. What do they do? They just simply put the money through the Post Office Department and get the profit. We think we might as well get the profit, and this clause is in order to cover such cases.

Mr. KNOWLES: I would ask the Postmaster General whether his attention has been called to an item in the Orange Sentinel of the 23rd of April, complaining that a certain paper called the Catholic Register had trangressed the requirements of the mail service even more than the Menace. The Postmaster General told us that one paper was under supervision, if that is the word—or censorship—and he told us that there is no other paper besides the Liberator that is under censorship—I think that is the word.

Mr. PELLETIER: I did not use that word.

Mr. KNOWLES: We will say 'observation.'

Mr. PELLETIER: All papers in this country are under observation.

Mr. KNOWLES: And so the Sentinel is?

Mr. PELLETIER: It is exactly in the same position as the Catholic Register, and the Catholic Register is in the same position as the Sentinel; and if the Catholic Register were to publish things like those in the Menace, it would not be tolerated for five minutes by the Post Office Department.

Mr. KNOWLES: I think the hon. gentleman said it had been warned and was under some sort of supervision.

Mr. PELLETIER: Like the other papers.

Mr. KNOWLES: The same sort of supervision as the Mail and Empire and the Montreal Star?

Mr. PELLETIER: There are some papers over which this kind of observation would be more necessary than over others, because we hear so many people complaining, of these newspapers telling lies about them, but this does not come under the censorship of the Post Office Department; we are only looking at the decent and moral side.

Mr. KNOWLES: If the minister is not interfering with papers telling lies, probably then the Mail and Empire can get along all right. The Orange Sentinel does not take the same view with regard to the action taken by the Postmaster General as he himself has taken. The Sentinel says that the reason he turned rightabout face was that the Orange lodges made him do so. I do not know either Orangeman or Catholic so far as this House goes, or so

far as the public business goes; but I know the Postmaster General as a man responsible to this House for the discharge of his duties, and it is scarcely right that a paper of wide circulation like the Sentinel should make the charge that the Postmaster General had changed his views—which we must assume were conscientious—because the Sentinel and his friends made him do so, and that no explanation should be given. The Sentinel says:

> The ban on the Canadian Menace has been raised. Hon. Mr. Pelletier has seen a new light and has conceded interim postal privileges. So long as the Menace refrains from imitation of the paper of the same name in the United States, it is likely to be allowed to pass through the mails.
>
> Credit for the vindication of the liberty of the press is largely due to Orangemen. Thousands of them protested in vigorous terms against Rome's attempt to establish herself as press censor and allowed it to be known that they would break party affiliations rather than endure a violation of the Protestant principles.
>
> Had the Orange Association and its official organ been less influential, Canada would still be disgraced by the State's suppression of a publication disliked by Rome. No one can tell what the end would have been.
>
> The lesson for our members is that if they will get all their friends to read the Sentinel and succeed in inducing them to join the Order, and fight for equal rights and one school, one flag, and one language, it will not be long before Orangeism is triumphant all along the line.
>
> It is time all Protestants got up on the band wagon.

Now, one of two things is correct: Either this paper has committed a gross libel upon the minister—and it is not becoming the dignity of this House that one of our members should be so libelled—or we are in the hands of a Postmaster General who would have done us a wrong, unless the Sentinel and its Orange friends had in some divine way come to our assistance. Either one of these is an unfortunate position, and I think it is the minister's duty to straighten the matter out.

Mr. PELLETIER: My hon. friend is very witty and draws a great many smiles from his friends around him. Why he is bringing this matter up and putting it before the committee I do not know, but I would advise him to consult some of his friends on the other side as to whether they think the matter to which he has referred is a good and proper one to bring before the House in the way he is bringing it. So far as I am concerned it is not a question of my doing what I am told by the Orange Lodges, by the Catholic Church or by anybody else; what I try to do is that which I think is right; that is my only guide. That is what I am going to continue to do, whether it pleases the one church or the other, and whether my hon. friend from the West is satisfied or not.

Mr. BUCHANAN: I want to speak of the proposed changes in newspaper rates in so far as they concern newspapers published in western Canada, and I would like to place before the Postmaster General some views in that regard based upon practical experience. If there is to be an increase in postal rates, special consideration should be given to the newspapers of western Canada on account of the extent to which the cost of production exceeds that of eastern newspapers. I have some figures here which I prepared last session when this matter was under consideration, and which I did not place before the House. In the first place, I would like the minister to consider that the field covered by the western daily newspaper is very wide compared with that covered by the eastern newspaper. For instance, there is no daily newspaper between Moosejaw and Medicine Hat and there is no daily newspaper between Medicine Hat and Calgary; consequently the newspapers in those western cities cover a very large territory.

This is not the case in Ontario, where daily newspapers are published in nearly every incorporated city and in some of the towns. What I want to emphasize is the fact that the cost of publication in western Canada is much heavier—much more so, perhaps, than the Postmaster General realizes—than it is in eastern Canada. Apart from the matter of high telegraph and cable tolls and from the question of wages—and wages in western Canada are considerably higher than they are in the East—the cost of publication is higher in the West than in the East and higher in Winnipeg than in the cities of Minneapolis and St. Paul. Dealing with the item of freight rates on the paper on which newspapers are printed, I would like to quote these figures: Winnipeg papers pay 61 cents a hundred pounds; Regina, 99 cents; Calgary, $1.32; Edmonton, $1.32; Lethbridge, $1.27; Saskatoon, 1.09; Nelson, B.C., $1.71; Rossland, $1.71; Minneapolis and St. Paul, 10 cents; eastern Canadian newspapers, from 10 to 20 cents. It will be observed that the cost of production in the West is very much larger than in the East, in respect of the one item of freight rates upon paper. The newspapers of western Canada have been of

great value to my hon. friend the Minister of the Interior in providing a great deal of publicity, for the western Canadian newspapers circulate not only in their own respective districts, but very largely in the United States and Great Britain. They are of value also in developing a strong Canadian and British sentiment in this country, and that is very important in a new part of the country like western Canada. I hope that the Postmaster General will take up the case of the newspapers of western Canada which, I believe, has been presented to him by influential western publishers, and give it the serious consideration which I feel sure it deserves.

Mr. PELLETIER: The remarks of the hon. gentleman are worthy of attention, and they will be taken into serious consideration when we take up this matter at the end of the present session.

Section agreed to.

On section 2—qualifications of superintendent.

Mr. G. V. WHITE: Has it been decided by the department to establish a new railway mail district at North Bay.

Mr. PELLETIER: Yes.

Mr. H. BOULAY (Rimouski). I would like to ask the Postmaster General whether there is any amendment in the law under this clause 2? I understood there was an amendment in connection with the length of time the mail clerks should be employed before being appointed as superintendents.

Mr. PELLETIER. Before the existing law, the mail clerk had to be employed for a number of years in the office and to act for a certain time as a railway mail clerk. Under the new law, it will be sufficient to have been in the office for a certain time, even though he had never been a railway mail clerk; as long as he has been in the office for a certain length of time, he may be appointed as superintendent.

Section agreed to.

On section 4—temporary appointments:

Mr. MURPHY: When this Bill was before the committee in the shape of a resolution, some hon. gentlemen on this side of the House asked my hon. friend for an explanation with regard to this section. A partial explanation was given, but, with all respect to my hon. friend, I must say that he did not satisfy this side of the House that he was not taking power under these amendments to appoint without examination a host of political friends, who will serve as travelling political agents for the Government of which my hon. friend is a valued and useful member. If my hon. friends on this side of the House who have been complaining about dismissals will apply their attention to this section and observe the difference between it and the provisions of the section for which it is a substitute, they will readily understand what has become of many of their political friends of whose dismissals they have previously complained. One remarkable feature of subsection 3 of this section is that it is retroactive; it is to be effective from March 12, 1912. It provides among other things that persons who were then in the employ of the railway mail service shall be continued in the service, irrespective of age, and notwithstanding the fact that they have not passed the Civil Service examinations.

It then makes a further amendment of the previously existing law, which declared that such persons shall not be eligible for an increase until they pass the Civil Service examination, while the new section provides that they shall be eligible for an annual increase until their salaries amount to $1,000 so they may be continued for an indefinite length of time in the service without examination and have their salaries increased to $1,000. After that the new section provides that they shall not be eligible for an increase above $1,000 until they have passed the qualifying examination. Perhaps the minister can give me some explanation.

Mr. PELLETIER: There is no such radical change in the Bill, as my hon. friend may learn from the hon. member for Rouville. Clerks are taken on as temporary employees not only in the post office but in all the departments. Before the date mentioned in that section, that is, the 12th of March, 1912, under the law as it then existed the Post office Department had the right to appoint these employees as they were appointed; but subsequently we ourselves passed a law under which it became necessary to pass certain examinations. Thus, instead of relaxing the rigorous state of the law, we have made it more rigorous.

Mr. MURPHY: Not by this amendment.

Mr. PELLETIER: This amendment is not as my hon. friend read it. The only thing which this Bill provides which is a

change from the present law is that these people, if they are satisfactory, may get their increases like everyone else. There is no such radical change as he suggests.

Mr. MURPHY: My hon. friend has referred to some subsequent legislation. I do not know whether he referred to chapter 41, of the statutes of 1912, or to some Act subsequent to that. If his reference is to chapter 41 of the statutes of 1912, I would submit that the observations I have made are entirely borne out by this amendment. This amendment is doing precisely what I stated a few moments ago it is intended to do.

Mr. PELLETIER: There is now a law in existence under which railway mail clerks can be kept as temporary employees for more than twelve months. They have then to pass the preliminary examination, or they have to go; even if we wanted to keep them the Auditor General would not pay them. When an employee has passed the preliminary examination he can be kept, but his salary does not go beyond a certain limit until he has passed the qualifying examination. Some of the temporary clerks in the Post Office Department have had no increase because they did not pass the preliminary examination at the end of the first year of their appointment, and did not pass it because they were not then obliged by law to pass it. Then the law came into force saying that no increase would be given to those who had not passed the examinations. The law discriminated against these clerks, and we are taking care of this special condition by this clause. My hon. friend will see that this Bill makes no great change.

Mr. MURPHY: What I see is the reverse of what the hon. gentleman has stated. Under subsection 3 surely my hon. friend will not contend that he has not taken power to appoint.

Mr. PELLETIER: The clause only refers to those appointed before the 12th of March, 1912. The clause does not refer to future appointments.

Mr. MURPHY: I am not speaking about the future, but about people who have been in the service. My statement is that the intention is to make them practically permanent officials, turning them from temporary into permanent employees without examination.

Mr. PELLETIER: But this does not give me the power to make temporary appointments, as my hon. friend says, he speaks of political agents going around the country It refers to appointments made prior to the 12th of March, 1912. These people have been in the service during all that time, and we would like those who are qualified for the work and who are recommended by their superior officers, to have the increases to which they would have been entitled if they had been appointed under the same circumstances as the others who were appointed since that date. That is all the clause provides for.

Mr. LEMIEUX: In other words, the law says that no man can be appointed railway mail clerk until he has passed certain examinations and not if he is over thirty years of age. My hon. friend has not been able, as I was not able, to find young men of less than thirty years who would be willing to accept the paltry sum of $500 to serve as railway mail clerks and he has appointed, under the name of labourers, many mail clerks over thirty years, some fifty years of age and probably some sixty. My hon. friend wishes to put these men regularly in the service but he gives them a little salve because under the existing law unless they pass the qualifying examination he would be unable to give them a salary beyond $1,000.

Mr. MURPHY: Can my hon. friend tell the committee to how many employees this will apply?

Mr. PELLETIER: That question was put by the hon. member for Oxford, and I have the information here, as to the number of people affected and the amount involved. By reason of the annual increase from $50 to $100 for the people now in the service it will cost $66,200.

Mr. LEMIEUX: That is for the staff?

Mr. PELLETIER: This gives the information for the Bill we have passed and the Bill we are now engaged on. To raise the salaries of permanent clerks from $500 to $600 will cost $38,300. To raise the salaries of temporary clerks now employed from $500 to $600 will cost $25,300. The total amount involved is $129,800. The total number of persons affected is as follows: Temporary clerks who will be raised from $500 to $600, 89; permanent clerks who will be raised from $500 to $600, 126; clerks who will receive an annual increase of $100 instead of $50, 490; altogether 705 people will come under the preceding Bill and the Bill we are now discussing.

Mr. LEMIEUX: Seven hundred and five will be made permanent.

Mr. PELLETIER: No, that relates to salary. The figures I have given include railway mail clerks, who are provided for by this Bill, employees in the city post offices, and in the other offices.

Mr. LEMIEUX: How many will be made permanent?

Mr. PELLETIER: I have not that information, but there are not many.

Mr. GRAHAM: About 90?

Mr. PELLETIER: Oh, no.

Mr. GRAHAM: My hon. friend read the figures 89. Were those temporary clerks being made permanent?

Mr. PELLETIER: No, that is the number of temporary clerks who will be raised from $500 to $600.

Mr. GRAHAM: Were most of these temporary clerks appointed after October, 1911?

Mr. PELLETIER: Yes.

Mr. GRAHAM: Most of them I suppose?

Mr. MURPHY: How many of that class will this section make permanent?

Mr. PELLETIER: I have not that information, but I will make a note of it. Temporary clerks are paid the same salary as the initial salary of the permanent clerks, and as the initial salary of permanent clerks has been raised to $600 the temporary clerks will be paid at the same rate, but they do not go beyond that point.

11 p.m.

Mr. G. V. WHITE: I do not wish to delay the passage of this very important Bill, but there is a matter which I think is deserving of the attention of the Postmaster General, and that is in connection with the maximum salary of the railway mail clerks. The Postmaster General is to be congratulated upon his action in increasing both the minimum and the maximum salary of those clerks. Every member of the House realizes that the employees of the railway mail service are subject to very many casualties. Employees in that branch probably run greater risks than in any other branch of the Government service, and I am pleased to see that the Postmaster General has seen fit to recognize the railway mail service by raising the minimum and maximum salaries. I would like to have seen my hon. friend the Postmaster General go a little farther and make the maximum salary $1,500 instead of $1,400. I have in mind the case of a railway mail clerk who lives in my town who was appointed to the service in 1884, and it was only last year, after being thirty years in the service, that he reached his maximum. However, the present legislation making the annual increase $100 instead of $50 will enable clerks in this particular branch to reach their maximum much more rapidly. I should be glad if the Postmaster General could see his way clear, if not this session, perhaps at the next session of Parliament, to make the maximum $1,500 instead of $1,400.

Mr. WM. CHISHOLM: I do not think this legislation is quite as innocent as the Postmaster General tries to make it appear. There is no objection, of course, to raising the minimum salary to $600. Five hundred dollars may appear low; in fact it is low. If $500 was a proper salary ten or twenty years ago, $600 is low enough to-day. The annual increase of $100 instead of $50 is all right too, but the vicious principle in this Bill is the dispensing with any qualifying examination, and giving the Postmaster General power to promote any man whether he possesses the necessary qualifications or not.

Mr. PELLETIER: I am not asking for that at all.

Mr. CHISHOLM: This section provides:

3. Any person employed temporarily as a railway mail clerk on the twelfth day of March, 1912, may, if his services have been satisfactory—

Who is to be the judge?

—and if recommended by the superintendent and the controller of the railway mail service, be appointed to the permanent staff at a salary not exceeding the amount he is then receiving, irrespective of age and notwithstanding the fact that he has not passed the Civil Serviec examination.

Why should he not be required to pass the Civil Service examination? It was the law some years ago that a clerk appointed at $500 should serve a probationary period of one year, and then if he passed the examination—if he had ability and character enough he would pass the examination—and his services had been satisfactory and his habits were correct, he was in line for promotion, and could be appointed to the permanent staff and rise to the maximum salary. Why not require that to be done to-day? Is it not just as important to-day as it was fifteen years ago that railway mail clerks be men of character and intelligence? I say that principle is vicious.

Then again this Bill makes it retroactive. The whole history of the thing is this: There were men who had to be provided for after the last election. I know one case where a man wanted a certain job, but it had been promised to so many persons that he was left out in the cold. Next thing the committee takes him in hand and says: We will appoint you to the railway mail service. The man made inquiries, read up the Civil Service Act, and found that as he was over 31—he was 33—he would be entitled to a salary of only $500 after he had passed an examination. His business was not of a clerical character at all; he had been a professional man, but had not made much of a success in his profession. He was good enough for the purpose, however, and they proposed to get him in the railway mail service. But there was some hitch and he did not go in. I am quite sure, however, that many did get in who have not the qualifications, and whose services would not be found satisfactory if tested by an independent and competent body; but they will be kept on. This matter will be left at the discretion of the department, and for those with the proper political leanings places will be found. Not only should this power not be put in the hands of the Post Office Department, but there should be a system under which persons who are absolutely useless should not be kept on. The man who cannot pass the examination at the expiration of a year is not the proper kind of a man to have. There are lots of young men who can be got by the Post Office Department. If the salary is too low, raise it, as this Bill proposes to do. There will be lots of men available then. There is no reason why any person should not be required to pass the examination. If it is left in the hands of the Postmaster General these men will not qualify themselves.

Mr. PELLETIER: If my hon. friend will read section 4 he will see that his argument does not apply. Section 3 only applies to a fixed number of people who were appointed before a certain date. Let me read section 4:

> No person shall be eligible for the appointment to the permanent staff of railway mail clerks unless he has passed either the Civil Service preliminary or qualifying examination, or is a graduate of the Royal Military College or of a university of Canada.

[Mr. W. Chisholm.]

Mr. WM. CHISHOLM: Can he not be brought in under clause 3, supposing his services are satisfactory, without passing the examination?

Mr. PELLETIER: Those who were appointed before the date mentioned in that clause. At that time it was not necessary for these people to pass an examination.

Mr. WM. CHISHOLM: Was not the law then that they had to serve as probationers for a year at a salary of $500, and that, at the expiration of that period, if their services were not satisfactory, they were to be barred out?

Mr. PELLETIER: If that clause had been in existence these people would not be in the Post Office Department now, because more than twelve months would have elapsed.

Mr. GUTHRIE: I am inclined to think that the clause is one that should not give us very much difficulty. There were some people appointed before the 12th March, 1912, as temporary employees. We know that it was difficult to obtain suitable men in all cases to fill these positions; the salaries were too small. They were put on as temporary employees. They could not be put on the permanent list until they had passed the examination. They remained on year after year and did not pass the examination. Then we changed the law. That change was to the effect that a man had to pass the examination within a year. If I understand this section aright, it is only to apply to a small number of men who were in that peculiar position prior to the 12th March, 1912. I agree that no man should be eligible, as provided by the next subsection in future unless he has passed the proper examination. For my part I do not see much objection to the clause as it stands now.

Mr. KNOWLES: I wish to bring to the minister's attention a matter that has been the subject of a resolution of the Association of Railway Mail Clerks in my own city. Among other things they asked the department that they might use their good offices to secure for railway mail clerks transportation privileges while they are on their holidays. At the present time railway mail clerks, although they are very closely indentified with the transportation system of the country, have to pay out of their own pockets for their transportation while on vacation. They have, by a formal resolution, asked that the Government

might use its good offices to get railway transportation for them during their holidays. The Government is very close to the railway companies and especially the railway mail service branch of the Post Office Department. Immense sums are paid to the railway companies by the Post Office Department and there seems to be a great deal of pith in what any constituents say that the influence of the Postmaster General would be very great with the railway companies in securing this concession. I am told that the employees of the express companies get this privilege to which I am referring. The department might accomplish this end, if in no other way, by allowing railway mail clerks to travel in the mail car itself which would not do any harm inasmuch as the men engaged in that service might very well be trusted to travel in the mail car. If the minister would be kind enough to assure me that he would do his utmost with the railway companies to come to an understanding with them that they would grant vacation passes such as they grant to their own employees I am sure it would be quite satisfactory to the railway mail clerks. I think they might grant such passes not only to the railway mail clerk but to the railway mail clerk and his wife. I would commend this to his favourable consideration.

Mr. PELLETIER: My hon. friend certainly overestimates the power which the Postmaster General has with the railways. If he could only have been present at the numerous interviews which were held in order to come to a settlement of the vexed question of the increase of the rates he would have known that the railway companies are not so willing to give the Post Office Department favours as he supposes. Instead of giving us a pass for the railway mail clerk going on his vacation with his wife, his children and maybe his cousins, his aunts, his friends, or his lady friend—

Mr. KNOWLES: That was on the ground of morality, I suppose.

Mr. PELLETIER—I do not know; some of these people stand on very high ground, I understand. They even contended that we had no right to send a second clerk on duty on the postal car and that if we did so we had to pay for his passage. My hon. friend sees that instead of giving us passes for the railway mail clerks going away on their vacations they are so exacting in that respect that we would have very little chance of securing such a concession. We had to take the stand that the railway mail clerks who were on the mail car on duty should not be called upon to pay anything for their passage. The railway companies will not give the railway mail clerks passes for their vacations and I would not ask for them. We have to hold our own with the railway companies and we do not want to ask for these favours. They wanted $4,000,000 of an increase for the mail service and we succeeded in bringing their claim down to $780,000 but if at that time we had made it a condition that railway mail clerks, their wives and children, should be carried free perhaps we would not have succeeded in bringing that claim down to such an extent. I have received the request from the railway mail clerks to which my hon. friend has referred. I think all my employees will give me credit for doing everything that I can for them but this is a request that it is not in my power to grant.

Mr. KNOWLES: If the post office inspectors, the assistant post office inspectors and the railway mail superintendent have passes, why should not these much more poorly remunerated clerks get the same privilege?

Mr. PELLETIER: That is on duty.

Mr. KNOWLES: But they have annual passes. The minister, of course, has the power, if he would only consider the request reasonable. I would ask that the men who are so closely connected with the transportation system, and whose lives are imperiled in the discharge of their duty, should have the same privilege that every person else has who is connected with transportation; that is an annual free trip.

Section agreed to.

On section 5—age limit of railway mail clerks:

Mr. MURPHY: What is the reason for that change?

Mr. PELLETIER: That section corresponds with the other ones. For the railway mail clerks the age is now thirty, whereas for the other clerks in the post offices it is thirty six; we are putting them all on the same footing.

Section agreed to.

On section 6—repeal:

Mr. LEMIEUX: What is the meaning of this section?

Mr. PELLETIER: The preceding amendment has rendered useless the four sections

in question, and the consequence is that they are repealed.

Mr. OLIVER: I do not at all agree with the policy of the minister in taking power to himself to make regulations for the postage of newspapers without the direct sanction of Parliament. The postal rates are provided at present by the sections that are being repealed. I think postal rates should be established by authority of Parliament and should be embodied in the statute. I do not agree that it is proper legislation or a proper discharge of the responsibilities of this House merely to authorize the Postmaster General to fix any rate of postage that he may think fit. The rule that has prevailed in the past, whereby the rate of postage is set down in the statute on the responsibility of Parliament as recommended by the Government, is the proper way and the only way in which that matter should be dealt with.

Mr. MACDONALD: Does the minister provide under that section to blot out the statute regulation in regard to newspapers and to take the whole thing into his own hands? What ground does he give for taking such powers?

Mr. PELLETIER: We have it in everything else; it is a matter of regulation. If one reads the law as it exists at present, one may reach the conclusion that we have that power at the present time, whereas another may reach a different conclusion; but it has been considered by me as a matter of regulation in the department. We are desirous to reach an agreement with the newspaper owners to increase the rates of postage on newspapers. If we cannot make this a matter of regulation, our hands will be paralyzed. Under the Parcel Post Act we have the power to make the rates as they are; we have the power to increase or to decrease them.

Mr. MACDONALD: That is an experimental proposition.

Mr. PELLETIER: We are about to change the rates on newspapers and we expect to do it with the consent of the newspaper owners.

Mr. LEMIEUX: Will there be an increase?

Mr. PELLETIER: The rates may not be increased in all cases. The press associations have admitted that the rates should be increased but they propose, not the same zones, but the same system of zones as exist for parcel post. They say that we should ask a higher rate of postage for newspapers beyond a certain distance. If this has all to be put into the law by Parliament, our hands will be tied and we shall not be able to make any such arrangement with the newspapers owners. This power exists for parcel post and for everything else. Last year we were told, when parcel post came up, that we should take that power and fix the rates. We cannot do that except by regulations which are adopted, which have to be published in the official Gazette, and which come into force only after being so published. These rates, of course, can be recalled. For parcel post, to which the same principle applies absolutely, if we had had to wait for Parliament to fix these rates, we could not have prepared as we did; and if in the course of our experience in regard to parcel post, we see that these rates may be decreased for the benefit of the public, we can do it without coming to Parliament for sanction. It is all a question as to whether or not the officers of the department, in whose hands this matter lies to a great extent, can be trusted to do what is right in the matter. There never has been a complaint in regard to the matter, and I do not think there ever will be.

Mr. MACDONALD: Has the minister nothing to do with these things himself?

Mr. PELLETIER: I take a great interest in these matters as I do in all matters concerning my department. I have met the newspaper editors several times and have discussed this matter with them. They have been good enough to tell me that I have met them in the proper spirit and that they are willing to do all they can to meet my views, because they think I am right, at least to a certain extent. I do not think there is any great danger in this section.

Mr. LEMIEUX: I can say to my hon. friend from Pictou (Mr. Macdonald) that the minister is right in his explanation. The Postmaster General, if you read his powers in the Post Office Act, can himself make all these regulations for newspapers, for parcel post and so on.

Mr. MACDONALD: The Postmaster General says that he does not look after these matters; that it is his officials who do so.

Mr. LEMIEUX: My hon. friend can trust the Postmaster General not to quarrel with the newspapers. I can credit him to be an astute enough politician to play fair with them.

Mr. MACDONALD: On some occasions lately I have found my hon. friend the Postmaster General to be a gentleman of wonderfully fertile resources. He is very plausible in regard to this proposition concerning the newspapers, but he has a way of putting his officials in front of him when there is anything for which he does not want to assume the responsibility, and he tells us that is all right. My hon. friend from Edmonton (Mr. Oliver) is a newpaper man, and he has rather impressed me with his argument in regard to the matter. If my hon. friend the minister finds it necessary in the carrying on of the business of his department to deal with matters of detail, and if he is going to take the power—and he has made an argument to impress the House that he ought to have the power—to negotiate and do all these things between sessions, there ought to be an ultimate reference to Parliament when changes are to be made.

Mr. PELLETIER: I agree with my hon. friend; but the revising power of Parliament exists even if I do not reserve it in this case. If I make an arrangement with the newspaper editors and owners which is not suitable to Parliament, hon. members can tell me so at the next session. I think I understand what my hon. friend has in mind. I am not asking for powers to make the Liberal newspapers pay a certain rate and the Conservative newspapers pay another rate.

Mr. MACDONALD: I never would have thought that at all.

Mr. PELLETIER: I am asking that the same rates shall apply to all newspapers, and no Postmaster General would think of doing anything else than that. Under the circumstances, as my hon. friend from Rouville has very properly said, there are a great many guarantees that this matter will be approached in the right spirit. I think we can accomplish some good if there is no doubt about these powers being vested in the Postmaster General. I am of the opinion that these powers are at present vested in the Postmaster General but there is some doubt in regard to the matter and I would like to make it clear, so that there will be no question about it.

Mr. GRAHAM: This question of zone, of which my hon. friend has spoken, cannot be operated generally so as to be satisfactory. But let me point out the difference. It is all right where the newspaper is located with a country surrounding it on all sides. But take newspapers published along the frontier, the circulation of which is in Canada alone, they have only half a zone in which to circulate. Now, unless provision is made to make the centre of their zone somewhere else than the place of publication, they are at a disadvantage. I have had a good deal of correspondence with newspaper men on this subject, and I said that if there was the change proposed it would be unfair to the newspapers on the frontier. Heretofore, the place of publication was at the edge of the zone, which was fair. But the change that is proposed will take away a quarter of the privilege of these newspapers.

Mr. SINCLAIR: I hold no brief for the newspapers, but I hope no regulation will be made to make it difficult for people in the country to get a cheap newspaper. It is a great advantage that the Montreal Star, the Toronto Globe, and other large newspapers can go out to distant places in the country at cheap rates. The farmers will not pay a big price for a daily paper, but it certainly makes a country district a better place to live in if its people have access to daily newspapers, even though they be three or four days old. We are all agreed that rural life should be made more attractive, and cheap newspapers is one of the means to that end. If the Postmaster General takes away from the country people the opportunity to get newspapers at cheap rates, he will strike a heavier blow at the welfare of the country than he thinks. I hope he will give the matter very serious consideration.

Mr. OLIVER: I desire to protest as emphatically as I can, without delaying the committee, against the position of the Postmaster General that this should be by regulation. I say emphatically that it should not be by regulation, but by statute. It has always been by statute and is so now. But the minister proposes to strike that provision out of the statute and take power to regulate as he may please. The minister has given no reason so far to justify that position. It is right that associations of newspaper men should meet the officers of the department and discuss the proposed changes with them, and it is entirely desirable that they should reach an amicable conclusion. But that does not alter the fact that changes in such an important service as the postal rates on newspapers should be at the discretion of Parliament, and of Parliament alone. It is

not a matter that should be fixed between my hon. friend's department and an association of newspaper publishers; it is a matter that should be set right on the floor of the House, not in the interest of the newspaper publishers and the officials of the department, but in the interest of the people of Canada who are interested in the newspapers and in the postal service. There is a very material reason from the newspaper publisher's point of view why this matter should be by statute and not by regulation. The newspaper postage, although it is small on each number of the paper, is, in the aggregate, a very important part of the charges upon any considerable newspaper enterprise, and it is important to the enterprise, wherever it may be located and whether large or small, that it should know that that feature of its existence and this limitation of its opportunities should not be subject to change without due notice and without the fullest consideration.

Mr. PELLETIER: This does not interfere with all that.

Mr. OLIVER: If postal charges are to be subject to change simply at the will of the department, after consultation with this, that, or the other association of newspapers, there is no reasonable assurance of permanence in the regulations of the newspaper publishers at large, such as there would be if there could be change only by Parliament only after full discussion on the floor of this House. From that standpoint, the practical effect of my hon. friend making the change from statute to regulations, is entirely against the material interest of the newspaper publishers.

The Postmaster General has instanced the case of the parcel post rates as provided by regulation. He received authority from Parliament at the last session to establish a parcel post system with rates and regulations such as he should fix. And he concludes that because he was given that authority at that time therefore he should be given this authority now. Without introducing controversial matters, I say that for my part, as a representative of the people, as a member of this Parliament, I am responsible, measurably responsible, for my hon. friend's parcel post system and the rates he levied. Now, I am not in agreement with his parcel post system or the rates he levied; I do not think the system is well-conceived or well carried out, and I do not think it is fair to me or to members of this House that I have no opportunity to give my opinion with regard to that matter. So, his instance of the parcel post system is unfortunate from my point of view. This is a matter of very great importance to the people of Canada, and the representatives of the people of Canada in Parliament assembled should have the deciding vote.

Section agreed to.

On section 8—section 116 amended:

Mr. MURPHY: A rather important change is made in this section. Will the hon. Postmaster General explain why he is proposing that the Postmaster General should leave so much out of his report?

Mr. PELLETIER: This is a matter on which I shall not insist if the committee oppose it.

Mr. LEMIEUX: It will give rise to a long discussion. For my part I shall oppose it very strongly.

Mr. PELLETIER: Let me explain the facts, and then if the House does not agree I am not much concerned except that it is a great waste of public money. We publish in the Postmaster General's Report an enormous amount of stuff.

Mr. LEMIEUX: Information.

Mr. PELLETIER: It may be information, but it is information which the people never read, and such as is not published by any other postmaster general in the civilized world, and moreover a great part of this same information is contained in the Auditor General's Report. I do not think that we should print that information twice.

Mr. LEMIEUX: I take issue with my hon. friend when he says that there is a lot of information in the Postmaster General's annual report that is not read by the people. What affects my county may not be of interest to the hon. member for Halifax or the hon. member for South Renfrew, but it is somewhat interesting to me and to the people of my constituency to whom I send the report. The tendency of Parliament nowadays is to give as much information as possible to the public and not to reserve that information to the select few. Of course, I do not object to lopping off from the blue book of the Post Office Department what is already published in

the Auditor General's Report, but I certainly would object to taking away anything from that report which concerns the service.

Mr. PELLETIER: I will not insist upon the passing of this clause if hon. gentlemen do not agree upon it; I will drop it for the present and bring it up another year.

Section dropped.

On section 9—letter carriers on electric railways:

Mr. GUTHRIE: I would suggest to the minister that he strike out the words 'except municipally owned electric railways.' In the city of Guelph in my riding the electric railway is municipally owned. It was a stock company; the city acquired the stock, and it is operated under a commission named by the council. I do not think that any arrangement has ever been made with them for the carrying of letter-carriers. I notice in the section that the Postmaster General proposes that letter-carriers shall be conveyed on every electric railway in Canada except municipally owned railways, on such terms and conditions and under such regulations as are made by the Postmaster General. Why make an exception of the municipally owned railways? If they will not make terms, the Postmaster General can set the price. I think that should apply to municipalities as well as to companies. Nearly all electric companies are provincial companies, and the Postmaster General assumes under the section the right to prescribe rates for these companies. Municipal institutions are provincial institutions; if the Postmaster General can prescribe rates for the one he can prescribe them for the other. It would be a hardship to twelve or fifteen young men in the town where distances are long, and a hardship to the public as well, if they cannot get and deliver the letters as speedily as they could if they were permitted to use this electric road. I have heard it said that the Railway Commission at Guelph is exorbitant in its requests. I do not know what those requests are, but I think that the Postmaster General should take action at once to fix a price, and if he will strike out the words which I have indicated he will be able to fix a price.

Mr. BUCHANAN: For what reason are municipally owned railways excluded?

Mr. PELLETIER: In all our experience we have had no trouble whatever with the municipally owned electric railways. I was asked by them: have you any reason to complain about us? I told them: no, you have been very decent about it. They said: if so, why put us on the same footing as the others who are so exacting? I thought they were right. The letter carriers in every city would like to enjoy this privilege, which is now so general; but in many cases they are prevented from doing so on account of the prohibitive price which certain tramway companies endeavour to exact from the department. In the case of Guelph or other towns where there are municipally owned railways we have authorities who will help us to come to terms and to meet the views of the letter carriers in a fair way, and those are the reasons why we have not included the municipally-owned railway. So far as my knowledge goes, the municipally-owned railways have given us rates which compare in a favourable manner with those of the joint stock companies.

Mr. GUTHRIE: Have the Guelph people done so?

Mr. PELLETIER: I am not in a position to tell my hon. friend about it just at the moment, but if the matter is not settled by the Guelph people on proper lines my hon. friend can count on me to do what is right in the matter. If that tramway in Guelph is the property of the corporation, probably we cannot reach them under this clause, but if it is in the hands of a company we can reach them. I have put this section in in order to show the other companies with which we have been having so much trouble—companies which are making enormous profits and which have no consideration for employees who are obliged to walk the streets with their loads—to show them that we intend to make a distinction between them and those companies which offer us fair terms. I want to make a clear distinction between the people who act in a fair way in the matter and those who demand from us prohibitive rates and, if they do not get them, decline to take care of the transportation of the men. We have been unable to come to terms with the company in Moosejaw; that is one of the few places in the West where we have been unable to come to a reasonable arrangement with the company.

Mr. LEMIEUX: What did you offer?

Mr. PELLETIER: I cannot recall the figures, but I offered the same rates as are paid all over corresponding area in the West. They admitted that the other

companies were prepared to accept the rates offered, but they said: We will not accept them; we will get more. I found a very fair spirit on the part of the men, who told me not to give that price to the company. but to give them the difference and they would provide their own transportation. I have agreed to do that. I would say to my hon. friend from South Wellington (Mr. Guthrie) that I would rather have this legislation passed as it is and if there is one case that is left out I shall tell this corporation that we have passed this law for this year and that they may be one of the exceptions among all municipally owned railways, but if they do not agree to it, another law will be enacted so as to reach them. I want to see all letter carriers taken care of in this respect and these tramway companies should do it. If they do not wish to do so I will see that they do.

Mr. GUTHRIE: I am glad to have that assurance from the hon. Postmaster General. I am afraid there may be some difficulty in coming to terms with the Guelph electric railway. That is an ordinary provincial electric company. The city bought a controlling interest in its stock and operates it through a controlling commission which is elected, but it is just in the same position as an ordinary privately owned company. I cannot see why the words 'except municipally owned railways' should not be omitted. The present condition is unfair to the letter carriers but to the citizens of Guelph because they are kept waiting for their mail. If the words referred to were struck out the Postmaster General would have power to control the Guelph company and secure a reasonable rate there.

Mr. PELLETIER: I wish to give credit to the people who are entitled to it. These people have acted in the proper spirit and I told them that when I asked Parliament to enact that clause they would be given this consideration. I would like to keep faith with them, but I can tell the hon. member for South Wellington that I am quite prepared to do for Guelph what I am doing at the present time for Moosejaw, if the letter carriers there are in the same position and if the company is not willing to do what it ought to do. The letter carriers in Moosejaw are satisfied with the arrangement and it is at their request that I am doing it. I do not remember having received any communications from the letter carriers of Guelph.

Mr. GUTHRIE: I have received them.

Mr. PELLETIER: If my hon. friend will tell the letter carriers in Guelph to send me a representation to that effect I will take it up and see they are treated fairly.

Mr. GUTHRIE: I am glad to hear it.

Mr. KNOWLES: The Guelph railway is a company but the majority of the stock in the company is owned by the city. In Moosejaw it may happen that the municipality owns some of the stock of the company.

Mr. PELLETIER: That is a corporation.

Mr. KNOWLES: It is a corporation in Guelph only the city of Guelph owns practically all the stock. But that does not take it away from the operation of this clause. Has the minister satisfied himself that this Parliament has power to pass this legislation?

Mr. PELLETIER: Oh, yes.

Mr. KNOWLES: Take the Moosejaw or Toronto street railway companies incorporated by provincial legislatures, their rates are subject to whatever bodies the legislature may create in the shape of a provincial railway commission. I very much question if this House has power to say to a provincially created company: You will carry people for a certain price. We might as well say we have power to compel a three cent rate in Toronto. I question if the minister has power to pass the legislation.

Mr. PELLETIER: This Bill was presented last year, not the whole of it, but this clause, and this question was raised. Some of the most important companies, one in particular, were trying to hold us up. The question whether we had this power was raised. We were at the tail end of the session and we were not able to come to an agreement with the company in question. Finally, I succeeded in making an arrangement. So I told that Parliament that I would drop the Bill for last year. The Department of Justice have been consulted in this matter. They have gone thoroughly into it and have told us that the Bill was well intra vires of the powers of this Parliament. If there was any doubt about it I think we might fairly run that little risk in order to see that we are not imposed upon by certain companies who think they can exact anything from the public and who are not desirous of helping the public as they ought to. At all events, the Department of Justice having fully considered

the question, I do not venture to offer my own opinion about it. If I were to do so, I might. Under the circumstances I think this is a Bill very much in the public interest, and one for the assistance of the letter-carriers who are doing a great deal of good work and ought to be protected against the exaction of some of the corporations.

Section agreed to.

Bill, reported, read the third time, and passed.

DOMINION LANDS ACT AMENDMENT.

On motion of Hon. W. J. Roche (Minister of the Interior), Bill No. 136, to amend the Dominion Lands Act, was read the second time, and the House went into Committee thereon, Mr. Blain in the Chair.

Mr. ROCHE: This Bill provides for two principal amendments: one is in reference to the matter of pre-emptions, and the other is in reference to proving up on homestead pre-emptions, and purchased homesteads that are not suitable for agricultural purposes, by keeping a certain number of stock. When I was in the West last summer, and since then, a great many representations were made to me that people in the pre-emption area are labouring under certain disabilities in the matter of pre-emptions, which they desire to see removed. The first request was that they would not be charged interest the first three years. The present Act provides that interest shall be charged during the first three years, but not collected until the end of the third year, when the homestead patent has been earned, Although they are charged interest during that time, they are not allowed to pay either interest or any portion of the principal until the expiration of the three years. We are making provision to throw off the interest for the first three years. The pre-emption area is located in what was formerly known as a semi-arid district, and it was considered by the minister who created this pre-emption area that 320 acres in that particular district would not do more towards sustaining a farmer than 160 acres in a more productive part of the country. For that reason the lands were sold at $3 per acre, interest to be charged from the first. The first request made to me was to throw off the three years' interest. As time went on the requests became a little more drastic in character, and we have been asked to throw off the principal as well as the interest, allowing them to spend the same amount of money on fencing and to keep a certain number of stock. The third request was that we should treat the pre-emptions exactly as we treat the homesteads; that is that we should charge them nothing for them and give a refund to those who had already paid up in whole or in part. That was rather too radical a step, as it would mean the refunding of upwards of two or three million dollars to those who had already paid for their pre-emptions, in whole or in part. However, I am taking power under the amendments to shorten the time in which they may receive patents for their pre-emptions. By doing their cultivation and residential duties they may, if they desire to pay up in full, obtain their pre-emption patents at the same time they are entitled to receive homestead patents, or at any time between the three years and the six years as at present. These are the principal amendments. In connection with the amendment relating to stock, we are merely taking power to allow them to prove up by keeping a certain number of stock on lands not suitable for cultivation purposes. There was a time in the history of the Land Act when we had a stock provision, but it was abolished some years ago—possibly for good reasons. I have no doubt it was abused to a certain extent. However, we are safeguarding as far as we possibly can against abuses like occurred in the past. There are other minor amendments, not very important, to which I shall not refer to-night.

Progress reported.

On motion of Mr. Borden, the House adjourned at 11.57 p.m.

Tuesday, May 5, 1914.

The House met at Three o'clock, the Speaker in the Chair.

REPORT.

Report of the Dairy and Cold Storage Commission.—Hon. Mr. Burrell.

BRITISH NATIONALITY NATURALIZATION.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 173, respecting British Nationality Naturalization and Aliens. He said:

The principal purpose of this Bill is to provide the legislation necessary under the agreement arrived at between this Govern-

ment, the Home Government and the governments of the other dominions, to bring about an empire-wide naturalization.

The first part of the Bill deals with the definition of natural-born British subjects. It modifies the existing law, I think, substantially only to this extent: that whereas a person born out of the realm, whose father or grandfather was a British subject, is under the existing law a natural-born British subject, under the proposed legislation it is required that the father of such person should be a natural-born British subject. This is a reproduction of legislation enacted by the Parliament of the United Kingdom.

The next part of the Bill deals with naturalization, and it is that part the adoption of which by us is necessary in order to give effect to the arrangement arrived at. It prescribes the conditions of naturalization, which are those prescribed by the Parliament of the United Kingdom. It differs in several respects from our existing legislation. This difference results from the fact that we have agreed, after conference with the Government of the United Kingdom and the governments of the other self-governing dominions, upon conditions of naturalization that are to be similar in the United Kingdom and in each of the self-governing dominions.

Mr. W. F. MACLEAN: What do the other self-governing dominions include under the meaning of the Bill?

Mr. DOHERTY: They are set forth in the schedule to the Bill: the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, Newfoundland, the Dominion of Canada. The second part of the Act passed in the Parliament of the United Kingdom is intended to be effective throughout the empire, with the exception that it is not to be effective within the self-governing dominions unless it is adopted by the legislatures of those dominions. The purpose of this part of the Bill is to adopt, to meet that requirement, dispositions for naturalization presenting conditions similar to those prescribed by the legislation of the United Kingdom. Under the Act passed by the Home Parliament it is expressly provided that that part of it which has to do with naturalization shall have no application to the self-governing dominions unless adopted by their legislatures. It is further provided that, subject to the adoption by the legislature of any dominion, the government of that dominion shall have power to issue certificates of naturalization, which shall have the same effect as certificates issued by the Secretary of State, under the legislation of the United Kingdom. That is to say, it shall be effective throughout the empire generally, including, of course, the United Kingdom, and in all self-governing dominions which also adopt this legislation. This measure, after enacting the requirements for naturalization in conformity with the legislation of the Home Parliament, confers a similar power upon the Secretary of State in England and upon the governments of other self-governing dominions who adopt this legislation, to issue certificates which shall have the same effect as certificates issued under this Act by our Secretary of State.

I do not know that I need to-day go into details of this Bill, because it will be before the House for examination. Perhaps it would be well to point out some of the material differences between the requirements of our existing law and the requirements of this Bill. The period of residence differs in term, and differs also with regard to the place in which it must have been passed. The requirement as regards the period of time is that it shall be five years, but that it is sufficient that the last of the five years shall have been passed within the Dominion of Canada, provided the other four years were passed within the British possessions. There are requirements of adequate knowledge of the languages official in the country; in Canada, the French and the English languages. The certificates under this legislation are to be issued by the Secretary of State. They are not to emanate directly from the court, but under the sections which deal with the procedure there, the courts are to be resorted to for the purpose of establishing before them compliance with the essential conditions. The ultimate certificate however, will be issued by the Secretary of State upon the decision of the proper courts, which are practically the courts that now deal with these matters, when the party has established the possession of the necessary qualifications for naturalization. The other part of the Act deals with the effect of marriage upon the status of women with the question of throwing off nationality by British subjects, the question of alienage, and the question of the status of aliens. I do not think these will be found to differ in any important respect from our own law as we have it at present, nor indeed to differ from the disposition of the law of the

United Kingdom as it stood before their recent legislation.

Motion agreed to, and Bill read the first time.

JUVENILE DELINQUENTS ACT AMENDMENT.

Mr. DOHERTY moved for leave to introduce Bill No. 174, to amend the Juvenile Delinquents Act, 1908. He said:

This Bill contains but one clause. Its purpose is to provide for the appointment of a deputy judge of the Juvenile Delinquent Court. It permits the appointment of a deputy judge by the judge of the Juvenile Delinquent Court, with the approval of the attorney general of the province. The consideration that has led me to regard as desirable the enactment of this legislation is that it has been found, in the operation of this Juvenile Delinquent Court—which, as is well known, seeks to deal with children in a manner to bring about their correction rather than for the purpose of inflicting punishment—there are a great many small matters that to-day are within the jurisdiction of that court, and therefore cannot be decided in the absence of the judge. In many instances it is very desirable that these matters should be proceeded with without delay, and it has been thought that in a great many cases it would be quite a suitable arrangement that the clerk of the court, who is perfectly familiar with the routine proceedings, should have power to deal with such matters in the absence of the judge. It is for the purpose of creating a condition in which that may be done that this legislation is sought to be enacted. I may say that this Bill is introduced at the instance of Judge Choquette, of the Juvenile Court of Montreal, whose experience has led him to make the suggestion. As the appointment is to be by the judge subject to the approval of the attorney general of the province, I think we may rely on it that the power will not be used for the appointment of other than suitable persons. The clerk of the court I have referred to is Mr. Dawson, and it will be generally acknowledged that he is a very competent person indeed to perform the duties, and that he is one who has proven himself most earnest in the work of endeavouring to bring about the correction and improvement of errant and apparently incorrigible children.

Motion agreed to, and Bill read the first time.

SUPREME COURT ACT AMENDMENT.

Mr. DOHERTY moved for leave to introduce Bill No. 175, to amend the Supreme Court Act. He said:

It will be remembered that at the last session of this Parliament an amendment was made to the Supreme Court Act for the purpose of making appealable from the province of Ontario, and from other provinces to which are applicable the same conditions of appeal as to those of the province of Ontario, a judgment rendered in a suit where the judgment decides some substantial right on the part of the parties, even though such judgment may not be final. In the application of the law so enacted the question has been raised whether that legislation applies to cases which have been instituted before the enactment of that legislation, and, if I mistake not, it has been held that it does not apply. It is considered desirable that in such cases the amendment should be made applicable, and the purpose of the present Bill is to provide that this amendment—quoting the words of the Bill itself:

> Shall apply as well to actions, suits, causes, matters, or other judicial proceedings commenced before the date of the passing of the said chapter 51 as to actions, suits, causes, matters, or other judicial proceedings commenced since that date.

There is a proviso against this legislation being applicable in any case where the question has been decided in a sense opposed to the effect of this legislation.

Mr. MURPHY: Is there any particular case that this is designed to affect?

Mr. DOHERTY: I am not aware of any particular case. I have had correspondence with lawyers upon the subject pointing out that difficulties have arisen. I believe there is one decision in the matter; I will look it up and communicate it to my hon. friend.

Mr. MURPHY: Do I understand the minister to say that this Bill will not apply to any case which has been decided as being without the provisions of the Bill of last session?

Mr. DOHERTY: We would not undertake to interfere with any judgment that has been rendered in any particular case.

Motion agreed to, and Bill read the first time.

PRIVATE BILL.

FIRST READING.

Bill No. 172, respecting the Toronto Terminals Railway Company.—Mr. Macdonell.

COMMUTATION OF SENTENCE.

On the Orders of the Day being called:

Mr. KYTE: I desire to ask the Minister of Justice if application has been made to him for commutation of the sentence passed upon Frank Haynes, sentenced to death for the killing of Ben Atkinson of Sydney.

Mr. DOHERTY: Application was made yesterday for commutation of sentence.

Mr. KYTE: Has any determination been reached in the matter?

Mr. DOHERTY: I had an opportunity of hearing these gentlemen only last evening and this morning, and I have not, since the application was made, been in a position to arrive at any decision upon it. I may say that the matter had consideration before this application was made.

THE CANADIAN NORTHERN RAILWAY RESOLUTION.

On the Orders of the Day being called:

Mr. GRAHAM: I wish to call the attention of the Prime Minister to a statement included among those presented to the House yesterday in regard to the proposed Canadian Northern Railway guarantee. This statement is headed:

> Engineers' estimate of cost—Canadian Northern Railway System. All lines—summary sheet. Estimated cost of betterments.

At the foot of the page there is a statement which reads as follows:

Construction as above		$41,987,565
Amount due on construction, sub-contractors' accounts, etc., not in above—see accompanying statement—		
Western lines	$8,348,290	
Eastern lines	6,606,424	
		$14,954,714
Rolling stock		27,441,086
Betterments		10,000,000
		$100,379,099
Proceeds of securities earned or available against the above		58,473,988
Balance		$41,905,117

I wish to call the attention of the Prime Minister to the fact that the sum of $100,379,009 is evidently the wrong amount. An item of $5,000,000 or $6,000,000 must be missing.

Mr. BORDEN: There is an item missing, that of Montreal terminals, $5,595,754. It was dropped in making the copy. The securities which are to provide for the construction of those terminals are included in the item of $58,473,982, but in the copying of the document the same item was omitted by the typewriter. I did not notice this omission when I placed the document on the table of the House; in fact, it was placed in my hands just as I presented it to the House. I am sorry the mistake occurred and I have given instructions that an amended copy, including this, shall be laid upon the table of the House; in fact, I expected to have it here to-day.

I would like to say to the right hon. the leader of the Opposition that the statement of the capitalization of the various companies was to have been laid on the table of the House to-day. On looking over it I saw that the capitalization of one of the minor companies had been omitted and I therefore sent it back. It will be here within ten or fifteen minutes, and I will take the opportunity to lay it on the table at a later date. In addition to that, a number of other documents will be laid upon the table to-morrow. I hope to have them in such form that several copies will be available.

Sir WILFRID LAURIER: Would the Prime Minister look over the statement just read by my friend beside me. There is an item to this effect:

> Sub-contractors, amounts not in above, see accompanying statement.

I do not see that accompanying statement.

Mr. BORDEN: If it is desired that we should set out the names of all the sub-contractors to whom amounts are owing, I do not know that there would be any great objection.

Sir WILFRID LAURIER: At all events, it is stated here that there is an accompanying statement.

Mr. BORDEN: It was not thought desirable, unless urgently required, to lay the names of the various creditors on the table of the House.

Sir WILFRID LAURIER: It would be advisable to have something in the way of a statement, because it refers here to the accompanying statement; so evidently it has been prepared.

Mr. BORDEN: It has been prepared.

Sir WILFRID LAURIER: Then I would expect my right hon. friend to lay it on the table.

Mr. BORDEN: I shall consider that. It was not thought advisable, in the absence of some urgent reason, that the names of the

various creditors should be laid on the table of the House.

Mr. MURPHY: I would again draw attention to a delayed return with reference to the Canadian Northern railway. In March last I placed a question on the Order Paper asking for certain information. That question was allowed to remain unanswered for over a month. Then, at the request of my hon. friend the Minister of Railways, it was turned into an order for a return. That happened some weeks ago, but the return has not yet been brought down. In the interval, the hon. member for West Peterborough (Mr. Burnham) put a question on the Order Paper covering somewhat the same ground, and obtained the desired information within a very few days. I am not going to complain about discrimination, but I hope I shall not have again to draw the attention of my hon. friend to the delay in connection with this return.

Mr. J. D. REID: I will send over to the deputy minister now and ask why there is delay in presenting the return.

Mr. R. B. BENNETT: I should like to inquire, before the debate on the Canadian Northern Railway resolution is proceeded with, whether the Government is in a position to furnish the House with particulars of the $38,000,000 alleged to be in hand. This amount is supposed to be the proceeds arising from the sale of the securities of the Canadian Northern Pacific, Canadian Northern Ontario, and the Canadian Northern Alberta railway. I should like to know how this sum is made up.

Mr. BORDEN: Information will be laid on the table of the House with regard to that. The amount is constituted not solely of the proceeds from the sale of securities, but of subsidies yet to be earned as well.

ST. LAWRENCE SHIP ACCIDENTS.

On the Orders of the Day being called:

Mr. LEMIEUX: I would invite the attention of the Minister of Marine and Fisheries to the fact that there has been another accident on the St. Lawrence. The Saturnia met with an accident somewhere around the Traverse below Quebec, and I see from the newspaper report of the invesigation which is taking place that the accident was due to the lack of equipment on the part of the marine agency at Quebec. It appears that the lightship was not placed there in due time and that if the lightship had been towed to position by the proper vessel it would have arrived in time to avert the accident. Strict investigation should be held into this matter, because since the opening of navigation only a few days ago, this is the third accident on the St. Lawrence route.

Mr. HAZEN: I have a memorandum regarding the matter which I shall read to the House in a moment. I do not think that any report of the nature mentioned by my hon. friend. from Rouville (Mr. Lemieux) has been made by the wreck commissioner who is investigating the disaster with the assistance of two nautical assessors. Their report will no doubt place the blame where it belongs. I may say that while the lightship was not at the Traverse, every step was taken that could be taken by the engineer of the department at Quebec and the agency at Quebec, whose business it is to look after matters of this kind. As the hon. gentleman is aware, the aids to navigation on the St. Lawrence, or any other river which is infested with ice, cannot be placed until the ice is out of the river. I understand that this year, through an attempt to place buoys at an earlier date than ice conditions justified, seven or eight buoys were destroyed. If the buoys and lightships and aids to navigation are placed at an earlier date than ice conditions will permit, great loss occurs and no benefit is derived. I saw the newspaper report to which my hon. friend refers, and asked the officials to furnish me with a memorandum stating exactly the facts so far as the department knew them. This is the statement placed in my hands by the officials of the department; it bears the initials of the inspector of lights, Mr. McPhail:

> In the matter of statements in the Montreal Gazette of today, respecting absence of buoys and the Lower Traverse lightship, the usual arrangements were made this spring whereby all equipment would be in readiness to place in operation as soon as ice conditions would permit.
>
> Accordingly, about the 15th instant, the buoys in the wider part of the river, from Hare island downward, were placed.
>
> Immediately the statements in the Montreal Gazette came to my attention, I telephoned to the superintendent of lights at Quebec with respect to those statements and learned that on the morning of Monday, the 27th instant, the Druid left Quebec with the buoys to be placed between Quebec and Portneuf, to stand by against the time that the ice would pass down, which was expected to occur on the following day, namely the 28th. As a matter of fact ice did not go out on the 28th and the buoys were accordingly placed, and the work downwards was followed up with all possible despatch, and is at the present time proceeding. It is unfortunate that the Montcalm is out of commission this spring, as the work of placing the buoys cannot be completed as expeditiously as

usual. In any case the work in that section between Portneuf and the Traverse could not have been commenced earlier than it was, for the reason that had the buoys been placed in the narrow part of the river below, which was open, they would surely have been carried away and the lanterns would have been destroyed by the lake St. Peter ice when it passed down. We had an example in the Montreal Agency the day before yesterday and yesterday of eight lanterns being damaged by running ice, on account of the buoys having been placed earlier than nature ordained. It is true the buoys in the clear part of the river below Quebec might have been placed before the lake St. Peter ice went out, but not only would the lanterns have been destroyed but the buoys themselves would have been endangered and would certainly have been dragged from their proper positions and thereby constitute a menace to navigation.

As to the Lower Traverse lightship, the same arguments apply, to a lesser extent, to her as to the buoys with respect to running ice. I learned by telephone that she was cut out of the Louise basin last week by a tug and prepared for commission against the time that it would be safe to place her. It was considered safe to despatch her on Sunday, but unfortunately, when preparing to get under way, it was discovered that the rudder was still frozen and had to be thawed out by them. She left Quebec at 9 a.m. on Monday morning, arriving at the Pillars in the evening at the turn of the tide and, not being able to proceed against flood tide, anchored there and took up her station on Tuesday morning. The pilots were advised that it was uncertain whether or not the lightship would be on her station Monday night.

As stated in the Gazette article, the channel was suitably marked for day navigation by spars, which are not in danger of being destroyed or deranged by running ice.

The superintendent of lights will report in detail on these several matters.

Ottawa, 30th April, 1914.

My hon. friend will see, therefore, that we are taking steps to ascertain all the facts, and no doubt the Wreck Commissioners' court, which is now sitting in Quebec, will place the blame, if any exists, on the proper shoulders and report the facts so that they will be known to shipping men generally, and to the House.

HALIFAX NAVAL COLLEGE.

On the Orders of the Day being called.

Mr. MACDONALD: I saw an announcement in the press the other day with regard to the Naval College at Halifax which, if true, should be made to the House. I would like to ask the Minister of Naval Affairs what changes the department proposes to make in regard to the future operation of that college, the basis of the changes, and whether or not the college is to be continued.

Mr. HAZEN: The regulations have been laid on the table of the House and have been published in the Canada Gazette in full; more clearly and briefly, perhaps, than I could give the information.

Mr. MACDONALD: What, in brief, is the policy of the Government in regard to the college?

Mr. HAZEN: Students entering the Naval College in future will be trained there to a certain extent—as in the Military College at Kingston—not only for naval work, but for work in civil life; as, for instance, for the Hydrographic Survey, Tidal Survey, and other scientific work of that description. A change has been made in the curriculum to provide for this. The course of study has also been changed from a two-year course to a three-year course.

THE SAN FRANCISCO EXHIBITION.

On the motion of Mr. White for Committee of Supply:

Mr. W. G. WEICHEL (North Waterloo): Before the House goes into Committee of Supply I wish to refer to a very important matter that is to-day attracting great attention throughout Canada and the empire, namely, the opening of the Panama canal and the San Francisco exposition.

Great Britain's refusal to participate in the Panama exposition to be held in San Francisco in 1915 was received with regret by many business interests throughout the empire. Many urgent requests have been made by commercial bodies, and petitions have been sent by over half the members of the British House of Commons, for the Government of Great Britain to reconsider her decision, but so far they have not been successful. The reason given by both Great Britain and Germany, who also refused to participate at that time, was that it entailed too great an expense for any possible commensurate returns, especially in view of the almost prohibitive United States tariff which prevailed at that time. To the ordinary observer, however, it was apparent that these two countries resented discrimination against them in the Panama tolls legislation, which was considered by them a breach of the Hay-Pauncefote treaty regarding the use of the Panama canal. These were the conditions obtaining when invitations to participate were extended and, at that time, refused. Since then the high tariff of the United States has been considerably reduced; in fact, it is almost on a par with that of the Dominion of Canada, and this reduction is of the greatest moment to European countries as well as to our own Dominion.

The people of this country, as well as

those of other countries, watched with interest the magnificent fight waged by President Wilson in the House at Washington for the repeal of the legislation in question. He has succeeded in carrying through the House of Representatives, by a majority of 86, a Bill to repeal the Panama tolls legislation of last Congress. Therefore, I am of the opinion that it is not unlikely that the British Government will reconsider their refusal, and signify by their action that they appreciate President Wilson's courageous and honourable course. I might here refer to an article which appeared in the Chamber of Commerce Journal in April last, from which I extract the following:

In answer to a question by Mr. Lynch, Mr. Harcourt said that Canada would participate and New Zealand, and he understood in some degree Australia, but not South Africa. He forwarded the invitation of the United States Government to the self-governing dominions in May, 1912, and had been in communication with them ever since, but he was not informed of what they proposed to do in detail. Some of them had applied for information at different times as to the attitude of His Majesty's Government, but none of them had expressed a desire that we should reconsider our decision.

We in Canada are participating in the exposition, and as we are in closest proximity to the United States and friendly in our intercourse with that great nation, I believe it would strengthen the bonds of friendship existing between Great Britain and the United States if the British Government could be persuaded to reconsider their decision, and to participate in the San Francisco exposition. It is desirable because the event synchronizes with the very important celebration of the centenary of peace between the two nations, and it would strengthen and cement the existing friendly relations. It would come with great force from the Dominion Parliament, and would create a great response of good feeling from the United States. If Great Britain reverses her decision, Germany may follow, and thus strengthen the ties between these three great countries. Many Canadians intend visiting San Francisco during the exposition in 1915, and participation by the mother country would be hailed with delight by many of us who are anxiously looking forward to a visit during that time. The exposition is creating a good deal of interest throughout Canada. I have in my hand a resolution which I received from the Berlin Board of Trade, dated March 23, 1914, and which reads as follows:

Moved by Mr. D. B. Detweiler, seconded by Mr. W. D. Cleghorn:

Whereas the completion of the Panama canal, a work of world-wide significance, will be commemorated by the Panama exposition at San Francisco in 1915, in which exhibition the United States has invited all friendly nations to unite;

And whereas participation in the exhibition not merely by Canada, but by the Empire as a whole, is especially desirable because the event synchronizes with the very important celebration of the Century of Peace between the two nations, and will not only strengthen and cement the existing happy relations, but will sustain British prestige in the Americas and the Orient, an object of special moment to Canada as the portion of the empire in closest proximity to these nations:

Therefore, be it resolved that the Berlin Board of Trade respectfully request the Parliament of Canada to urge upon the Imperial Government the great desirability of reconsidering the present decision not to participate in that exhibition; and that a copy of this resolution be forwarded to W. G. Weichel, M.P., for North Waterloo, for transmission to the Canadian House of Commons.

Mr. BORDEN: I am sure that we all appreciate the observations which the hon. member has just addressed to the House with regard to the subject of participation in the great exposition which is to be held next year in San Francisco in commemoration of the opening of the Panama canal. When the question arose as to whether or not this country should participate in that exhibition, we had no difficulty whatever in arriving at the conclusion that it would be desirable to do so from every standpoint. My hon. friend and colleague the Minister of Agriculture (Mr. Burrell), to whose department such matters appertain, has made and is making very effective and thorough preparations in order that Canada may be adequately represented at that exhibition and take no small part therein. We should all be glad, I am sure, if the mother country had seen fit to take the same course, but we have not thought it at all necessary or desirable that any representations should be made by Canada in that regard, inasmuch as the question is one for the Government and Parliament of the United Kingdom just as our own participation is a matter for the Government and Parliament of Canada.

I shall give my best consideration, however, to what my hon. friend has urged and to the representations which are set forth in the resolution from the Berlin Board of Trade which he has placed before the House. I am thoroughly confident, and indeed we had the pronouncement in Parliament by the Prime Minister and other ministers of the United Kingdom, that the failure of the

mother country to take part in the exhibition is not induced by any feeling of resentment or otherwise in connection with any of the matters which have been alluded to. Full explanations and statements have been made in that regard in the Imperial Parliament, to which I am sure every hon. member, every citizen of this country and of the empire, will give full credence and credit. I agree most heartily in what my hon. friend has said in regard to the desirability of maintaining and strengthening in every way the existing cordial relations between the great empire of which Canada forms a part and the great neighbouring republic. I am sure we are all happy beyond measure that these relations were never more cordial or more friendly than they are at the present time. On both sides of the House hon. members will agree that everything possible for the purpose of strengthening the friendliness of those relations, if that friendliness can be increased, ought to be done. I cannot say more at the moment than that the suggestion which my hon. friend has placed before the House will receive the best consideration of the Government.

4 p.m.

MANAGEMENT OF THE INTERCOLONIAL RAILWAY.

On motion of Hon. W. T. White (Minister of Finance) for Committee of Supply:

Hon. H. R. EMMERSON (Westmorland): Mr. Speaker, we were favoured about a month ago with the annual Budget delivered by the acting Minister of Railways and Canals (Mr. Reid) in connection with the department over which he now presides, in which considerable reference was made to the Intercolonial railway. My hon. friend gave a statement of the affairs of that railway but apparently his words on that occasion in that regard at least have been entirely lost sight of. I assume it was because of the lengthy discussion which occurred in connection with the Trancontinental Railway report brought to the notice of the House by my hon. friend at that time. The Intercolonial is a subject that has received considerable attention in times past. I myself I think, have been guilty on many occasions of dealing with the subject, if guilt there is connected with it at all. I want to make some few observations this afternoon relating to the management of that road. I shall conclude my remarks with a motion.

I do not wish to repeat anything that has been said in the past in respect to the historical phase of the Intercolonial or the part played in our Canadian commerce or nationality. I want to deal with the situation of the Intercolonial as it presents itself to me, and, as I think, it presents itself to the major portion of the inhabitants of eastern Canada. I shall deal with the subject under three heads practically. First, I shall endeavour to show, and I hope I shall be able to succeed in so doing, that the present management of the Intercolonial railway is detrimental to the successful and satisfactory operation of the road in the interests of the people; second, that the management, in violation of the law, makes the railway subservient to other competitive railway interests, thereby discriminating against the general public and patrons of the Government railway system and causing a disturbance and diversion of its legitimate traffic; and, third, that the management of the Intercolonial railway is manifestly unfair to those trained upon the system and who are familiar with the conditions and needs of its patrons.

I shall deal with the first, having regard to the situation of the railway, as to what it is at this moment, as to what I think it should be, and in relation to its financial condition Let me remind the House of some of the utterances of my hon. friend the acting Minister of Railways and Canals on the 24th March last. On that occasion he mentioned the fact that there had been a change in the method of managing the road; that is to say, that the management by means of a board of managers had been dispensed with and that there had been substituted therefor a one man management in the form of general manager, he claiming that the substitution of a general manager for the board of management made it much more direct and satisfactory. I concur in this conclusion. I have always favoured the management of the road directly by a general manager in preference to a board of managers. Others differ from me in that respect, but I think the results justify not only the prophecy I made in respect to it, but the contentions which I put forward as regards the actual results. But my hon. friend seemed to put this forward as if the management by a board had not continued under the present Government, but that the change had been made at the time of the change of Administration.

I am sure my hon. friend did not wish to create such a false impression, because he knows that for a year and a half after the present Administration came into power, that board of management was continued. My hon. friend went on to say that previous to the change in management the board had decided to increase the rates and it was their intention to do so, thus implying that the present management were not responsible for the increased freight charge under the present tariff. I have always contended that no matter how you manage the Intercolonial railway no government can free itself of responsibility for the management of that railway, and if after the change of administration the board of management concluded to increase the freight rates, it could not be done without an Order in Council. No minister of railways, no general manager of the Intercolonial, could add one cent to the freight charges of that railway except by Order in Council, thus making the whole Government fully responsible. My hon. friend went on to speak of the financial condition of the railway, and estimating a certain revenue for February and March he figured out that there would be a surplus of $300,000, which he claimed would be appropriated to the renewal of equipment account. The Hon. Mr. Cochrane, Minister of Railways, who was present last session, and whose absence now we regret and particularly on account of his illness, took great kudos for the fact that on the 31st of March, 1913, the surplus of earnings on the Intercolonial railway over expenditure would amount to $770,000. I naturally, in common with others, shared in the congratulations that were properly due on account of that financial result, assuming the statement to be correct, which unfortunately it was not. The railway statistics for the Dominion of Canada for the year ending June 30, 1913, which have been placed on the table of the House are prepared by direction of the Government for the fiscal year beginning the 1st of July and ending the 30th of June, in accordance with the practice of railways generally throughout the Dominion. From the railway statistics I find that the total operating expenses of the Intercolonial for the year ending 30th June, 1913, amounted to $12,510,311.73; while the earnings and income for the same year amounted to $12,349,296.06, or an actual deficit of $161,015.16. Now, how did that occur? It occurred simply because, in order to make a more favourable balance sheet for the year ending 31st March, 1913, there must have been withheld from the accounts of that year expenditures that properly should have been charged to the year ending the 31st March, 1913. It would appear that work that should have been paid for out of the operating expenses of the year ending the 31st of March, 1913, was projected into the succeeding year, and that between the 1st of April and the 30th day of June these expenditures incurred in the previous fiscal year had to be paid. This demonstrates that the operation of the Intercolonial railway for that year resulted in a deficit instead of a surplus. I regret this very much indeed. I am willing to give to this Government to any minister of railways all the kudos he is entitled to if he can successfully manage the Intercolonial in the interests of the Dominion, and when I heard the Minister of Railways make the statement I felt like congratulating him and the people of the country on that fact. But unfortunately the surplus did not exist and in its stead there was a deficit on the year's operation. In times past ministers of railways have been charged with so arranging the accounts of the Intercolonial railway that at the end of the fiscal year a surplus was shown where, if the bills had all been paid for the year, and the work done that ought to have been done, there would have been a deficit I remember that some years ago, I think it was in 1905, there was demonstrated to this Parliament a great deficit on the operation of the Intercolonial railway. How did that occur? Because we seized the opportunity to pay off all liabilities, to bring to an end all outstanding accounts and to have the year close clean and clear with the payment of every dollar. Unfortunately it showed to our disadvantage for that year, but in the years that followed the equilibrium was restored. Meantime, it was at least demonstrated that the accounts were properly managed and all bills paid at the proper time. Now, my hon. friend would have us believe that on the year's operation ending March 31 last, the excess of revenue over expenditure on the Intercolonial railway was $300,000, which, he claims, is to be applied to the renewal of equipment account. He explains as follows:

> I might explain for the benefit of the members of the House, as I dare say there are many who do not understand the statement, that it is proposed to transfer this, to the 'renewal of equipment account.'

The change to which the hon. gentleman refers was made, and I think it was made

during the time I had the honour to preside over that department. But the account was a suspense account, and these charges were first made against it, and whatever surplus was shown was over and above these charges. Had my hon. friend acted in accordance with the practice of the past he would have charged up that $300,000 before he mentioned surplus. But had he done that, there would have been no surplus for him to speak about. That money was necessary to provide renewals of equipment, that should be charged to revenue and not to capital account. So that he stands in this position—that for the year ending 31st of March last there was no surplus, if he follow the practice of book-keeping inaugurated five or six years ago, and continued, as I understand it, down to the present time.

Mr. BORDEN: I desire to follow the hon. gentleman's argument. Does he mean that there never could be a surplus, because in any case the income over expenditure would have to be transferred to that account before the accounts were made up?

Mr. EMMERSON: No, what I mean is that there was a provision made by the opening of this account whereby a certain sum should be applied yearly—

Mr. BORDEN: How much?

Mr. EMMERSON: It commenced with $250,000, and the amount was increased in later years. The amount was charged up just as any other expenditure, but in suspense, and the surplus, if any, would be lessened by the amount of that charge. Had my hon. friend charged up the $300,000, or whatever sum he proposes to charge up on the year's operation, his surplus would have been reduced; or, if he proposed to apply more than $300,000, then he would have shown a deficit instead of a surplus.

Mr. BORDEN: There has been a statute providing that any excess shall be used for the purpose of the railway instead of passing into the consolidated revenue fund. Is it in relation to that that he is speaking? I ask for information.

Mr. EMMERSON: The statute was not passed in the first place, it was inaugurated by Order in Council; but within the last few years, I think, during the regime of my hon. friend from South Renfrew (Mr. Graham), the statute was passed. The effect is that no matter what sum stood to the credit of the Intercolonial railway as a surplus at the end of the year should be applied to the interests of the railway, and not go into the consolidated revenue fund.

Mr. BORDEN: Was not that amended during the last two or three years?

Mr. GRAHAM: I am not sure; I do not recollect.

Mr. J. D. REID: May I ask is it not the fact that each month a certain amount is charged up to the working expense of the road and credited to this special fund—say at the rate of $300,000 a year—and then at the end of the year, if there is any further surplus, it is also added to this special fund, and the total amount is expended on new equipment?

Mr. EMMERSON: I do not know what is the practice of the department to-day; I speak of it as it was. A certain amount was applied as the requirements of the railway demanded.

Mr. REID: Was that the way it was done when the hon. gentleman was Minister of Railways and Canals, or was a certain amount charged to be laid aside for new equipment, and then if there was a further surplus that also was transferred to the same account and used in the same way?

Mr. EMMERSON: The work was actually done and it was paid for; the money went into the operating expenses of the railway, and if at the end of the year the amount which we had allowed for that purpose was more than made up by the surplus, we credited it to the same account and then we showed a surplus if we could. But my hon. friend adopts a different method. Were he to charge up this amount, there would be no surplus of earnings. I hold that any surplus that is shown by reason of the non-charging of these necessary items of expenditure to current account is a false surplus and does not properly show the real condition of the railway. If he intends to apply to equipment only a sum equal to this so-called surplus, then he has secured an equilibrium of expenditure and revenue, and upon that he is to be commended, and we congratulate him.

So much with regard to the financial condition of the railway. There has been adopted in connection with the management of the Intercolonial a new policy—an innovation in the affairs of that railway

which has proved to be not only detrimental to the railway itself but also very much against the interests of its patrons. I have said that I thought that the management was detrimental to the successful and satisfactory operation of the railway and the interests of the people. Let me say that in not proceeding with the branch line policy which was promised by my right hon. friend when he was in opposition, the interests of the Intercolonial have been very materially interfered with. I know that when we ask hon. gentlemen: do you purpose purchasing or acquiring by lease or otherwise these branch lines? the answer given is: no, the Senate intervened. In what way did the Senate intervene? It would seem to me that my right hon. friend and the Minister of Finance, who is not now in his seat, considered that the Senate did them a very great service when they did not pass that Bill without amendment. I submit that the Senate did not carve the Bill so that no further action could be taken. They simply proposed an amendment whereby the Department of Railways and Canals would be compelled to place before Parliament any contract or any arrangement which they made in respect to any particular railway. Does that prevent them from going on? It can be recalled that branch lines have been acquired in the past for the Intercolonial. In these cases, was any special legislation secured before the action was taken? I recall the fact that the Canada Eastern railway in New Brunswick was acquired in the interests of the Intercolonial and in the interests of the people; it was acquired by contract which was submitted to Parliament, after which the arrangement was carried out. If the present Administration were desirous of acquiring any of the branch lines connected with the Intercolonial they could have done it without regard to the action of the Senate and without regard to any legislation. I want to make this statement to my right hon. friend and to the acting Minister of Railways: arrangements have been tentatively entered into between certain of the branch lines railway companies and the Intercolonial Railway Company whereby these railways may, upon certain terms, be acquired. If I am not correct in that statement, I desire to be corrected. Such arrangements were made; why have they not been carried out? Why has not the New Brunswick and Prince Edward Island railway, running between Sackville, in the county of Westmorland, and Cape Tormentine, and connecting the Intercolonial railway with water communication with Prince Edward Island; why has that railway not been acquired? An arrangement was agreed upon whereby, in my judgment, it could have been reasonably secured in the interests of the Intercolonial and in the interests of the people. Nothing, however, has been done, and when any member or any supporter of the Government goes into the county of Westmorland, instead of frankly telling the people that the Government could have done this; that the Government could have carried this through without the legislation that was proposed to be amended by the Senate, he says: Oh, we could not go on with it because the Senate killed the Bill. Mr. Speaker, that is not so. The Senate did not kill the Bill relating to branch line railways; they merely suggested a very reasonable amendment, and I think the Government and the management of the Intercolonial stand convicted for not carrying out that policy with respect to these branch lines. I shall not give further illustrations; they are in existence and they could be cited, but I say that the Government in not securing these branch lines are doing not only an injury to the Intercolonial railway itself, but they are doing also a grave injury to the trade and commerce of the country. They are materially obstructing the interests of Prince Edward Island; they are injuring the coal interests of Nova Scotia; they are injuring the fishing and quarrying interests of New Brunswick; they are impeding the development and progress of eastern Canada by their inaction in connection with this matter. I say that it is a matter of serious impeachment against the Government that they have been so inactive. The truth is that the present Minister of Railways—I am not referring to my hon. friend the acting minister—the present Minister of Railways, who is now absent, is entirely opposed to the acquisition of any branch lines connected with the Intercolonial railway. He has argued against them; he has called them not feeders but milkers; he has spoken of them derisively and contemptuously. So far as his utterances, confirmed by his actions, are concerned, certainly he stands as being entirely opposed to the carrying out of the branch lines policy which was promised by my right hon. friend, when he was leader of the Opposition, during the elections of 1911.

The service on the Intercolonial has never been at such a low ebb as it has been during the past season. It has been deteriorating. Take the train service between Montreal, Halifax and the Sydneys; during the past year and a half or two years the service has been deteriorated to a degree that cannot well be described. Whether in the matter of accommodation, the matter of parlour-car or dining-car service; in whatever way you speak of it, it has deteriorated. The road-bed has not, I think, been maintained at the proper standard. Yet the revenues of the railway have grown year by year; where a few years ago we had $8,000,000 or $9,000,000 of a revenue, to-day we have between $12,000,000 and $13,000,000. I maintain that during the present year the standard of our gross earnings would have been kept up had the service been commensurate with the requirements of the country. To my mind, the cutting off of the Ocean Limited was one of the most injurious things that has been done in connection with the railway in many years. It diverted and cut off the traffic that was growing year by year. During the last and preceding years, when we had in operation over the Intercolonial the Ocean Limited and the Maritime Express, eighty per cent of the westbound traffic went over the whole of the Intercolonial to Montreal, and only twenty or twenty-five per cent went over the Canadian Pacific railway from St. John.

Mr. HAZEN: Is it not a fact that during every year except the year 1913 the Ocean Limited did not run during the months of February and March, and that during the present year it was off only during February and March, as in the previous years, except 1913?

Mr. EMMERSON: My hon. friend is absolutely correct. When the Ocean Limited was first initiated it was intended only as a tourist train and ran for a few months during the summer season. Its fame went abroad. The first year it was not successful; the second year it was not continued on very much longer, but it was a greater success that year than it was in the preceding year and so on in each succeeding year the traffic upon that train grew. It advertised Canada abroad in a way that it had not been advertised so far as its train service was concerned. It increased the tourist traffic along the St. Lawrence and down through Nova Scotia, New Brunswick and to Prince Edward Island. It became a success, and as it was successful the management continued it in operation until finally they ran it throughout the season, a wise course to be adopted. But what happened? When it was run only as a summer train the traffic was diverted during the winter months over the Canadian Pacific railway, and a large percentage of it, so far as my observation teaches me, continued to be diverted throughout the summer months, even after the Ocean Limited had been restored. But it grew, and the fact of that train being in operation on the Intercolonial explains very much as regards the increased gross passenger earnings on the Intercolonial. And I say that it was rotten policy, it was against the interests of the railway, and it was playing into the hands of the Canadian Pacific railway to discontinue that train last winter when it had been so successful, comparatively speaking, the previous winter.

Mr. HAZEN: Will the hon. gentleman inform the House what the loss to the country was in operating the Ocean Limited during February and March, 1913?

Mr. EMMERSON: My hon. friend may have these figures, I have not. If its operation during those months did result in a direct loss, I say that indirectly it would have been a gain to the Intercolonial railway to have continued it. Many trains, the suburban trains in which my hon. friends are interested, are not successful in isolated cases, but will any railway management say that it is not in the general interest of railways to run certain trains at a loss when in the main the advantage to the railway may be demonstrated?

Mr. HAZEN: My information is that the loss on running the Ocean Limited during February and March, 1913, amounted to very nearly $300,000.

Mr. EMMERSON: It may have, I am not in a position to answer my hon. friend. I do not know. But even at such a loss, if it had been continued it would have been more than made up by the increased continuance of travel during the remainder of the year. We all know that travel is easily diverted. We are creatures of habit, individually and collectively. We get into a habit of going by a certain route and we continue to go there. Suddenly there is no opportunity of following the course we have always pursued and we become accustomed to some other route. Naturally we continue the diversion and so it is with respect to the

Ocean Limited. I believe that the continuance of that train over the Intercolonial railway has contributed as much as any other agency to the growth of the earning power of the Intercolonial railway. I think it has advertised the Intercolonial throughout America in a way that no other train has done in past history, and I believe that it is a penny-wise and pound-foolish policy for the Intercolonial railway, because of the loss that might be entailed during certain months of the year, to discontinue that train. When there was only one train over the Intercolonial railway from Halifax to Montreal, the Canadian Pacific railway had a practical monopoly or a large proportion of the traffic between those two points, and for very obvious reasons, one being the time of departure from Montreal. When this second train was put on over the Intercolonial railway, in 1905 or 1906, there was a great change in this respect. I asked the department for certain information respecting the percentage of westbound traffic over the respective trains and I was furnished with this information:

Year.	Via Intercolonial.		Via St. John.	
	No. of passengers.	Per cent.	No. of passengers.	Per cent.
1910.....	9,077	69·6	3,968	30·4
1911.....	9,300	69·7	4,034	30·3
1912.....	11,206	73·	4,108	27·
1913.....	12,674	80·	3,113	20·

This shows that when the Intercolonial railway operated the Ocean Limited all the year round the traffic over that line from east to west was steadily increasing and the percentage of passenger traffic over the Canadian Pacific railway from east to west was steadily decreasing.

Mr. BORDEN: Between what points?

Mr. EMMERSON: This takes in all points—St. John and east of St. John.

The foregoing are from returns compiled in the office of the general passenger agent and for his information, not for accounting purposes. Corresponding figures are not available for the eastbound traffic, but usually the movement in the two directions about balance.

That demonstrates this fact: when you have two through expresses between Montreal and Halifax, running continuously throughout the year, your traffic is expanding and increasing, and it is to the advantage of the Intercolonial that those results should be brought about.

I now come to the second point. I hold that the interests of the Intercolonial are being made subsidiary and subservient to the Canadian Pacific, the other competitive railway; and that the patrons of the Government railway system are being discriminated against by the diversion of the legitimate traffic of that railway. The rates on the Intercolonial have increased very materially in the past few years. They are turning the screw at every point. I have a return here with respect to the freight charges on hay from points in Quebec eastward, and I find that the increases are in many cases as high as a dollar a ton, or from $30 to $40 a car. In some instances they are half that, and in some cases even less than that. The rates range from one to five cents a pound for hay. The Intercolonial service has been degraded, and the charges to the general public have been increased. I do not say that with respect to passenger traffic—yet, I do, because whereas in the past certain privileges were accorded to the patrons of the railway in the way of excursion and holiday rates, these have been withdrawn and the patrons are now compelled to pay the regular rates. The revenues necessarily have been increased by reason of the increased freight and passenger rates, but I hold that the service has not been commensurate. We have brought to the railway some very high-priced officials: Mr. Gutelius for one. He gets $20,000 a year, and we have another gentleman who gets $12,000. On the engineering staff of the Intercolonial to-day, there are twenty-seven engineers, where six years ago there were only four or five to do the whole work. We have engineers of almost every conceivable name; and not only engineers, but assistant engineers, and in the main they come from the Canadian Pacific railway. The manager, himself, comes from there. Canadian Pacific Railway officials are replacing Intercolonial officials, who have the proper qualifications, and have had experience on that railway. These new officials are making the Intercolonial subservient to the Canadian Pacific railway. Even the very forms that are in use in the offices and railway stations have been changed to conform to the Canadian Pacific's forms. The standard rules of the Canadian Pacific railway were adopted on the Intercolonial on the first of May. The men who have been long in the service, who have safely operated the trains under certain rules, and to a degree

that accidents on that railway compare favourably with the accidents on any other railway on this continent—and particularly with the Canadian Pacific railway, which is held up to us as a model of operation and safety, but which according to the statistical returns of the Government of Canada has a larger proportion of accidents than the Intercolonial—are expected within a few months to become familiar with the standard rules of the Canadian Pacific railway. Let me say that there are 673 rules; rules upon which depend the safety of the lives of the passengers and trainmen. In a few months the old men, from 50 to 65 years of age are expected to become familiar with these 673 rules, and at the same time to continue running the trains under the old rules. The confusion that has resulted can be imagined. The men on the Intercolonial have been protesting in regard to this matter. When the Boston and Maine Railway system changed their rules they allowed two years for the new rules to be put in operation. The Government of Canada allows only two or three months, which will result, in my judgment, to the injury of the railway, of its employees, and of the passengers who travel on that line. The Intercolonial railway has been made subservient to the Canadian Pacific railway in connection with the Gutelius-Bosworth agreement. I have referred to this matter before and shall not now go into it in detail, but let me say that it is an agreement entered into without the authority of law, in my judgment, and without the approval of an Order in Council, whereby the Intercolonial carries a train of 400 to 500 tons from St. John to Halifax for $300, and agrees to bring back the cars to St. John free of charge; and not only that, but to pay the Canadian Pacific railway for the use of the cars which have been attached to that train. The answer has been made that it pays the Intercolonial to do it. I have a return before me showing clearly that it costs the Intercolonial at the very least .56 or over half a cent to transport freight per ton mile. That was the average cost during the months of April, May and June, 1913. That means that it costs $2.24 to carry 400 tons one mile. The distance between St. John and Halifax is 275 miles. A special freight train under the agreement consists of 500 tons eastbound and 400 tons westbound. Special passenger trains are limited to twelve cars including the vans, which, of course, are governed by weather conditions. That is the contention of the Intercolonial railway. I understand that the Canadian Pacific railway contend that the arrangement includes the carriage of a greater tonnage. But assuming it to be 400 tons, it costs the Intercolonial railway $616 to transport those 400 tons from St. John to Halifax for which it receives $300, taking the return of the Intercolonial itself in respect to the cost of transporting freight.

Mr. A. K. MACLEAN: Is that the actual cost or does it include overhead charges as well?

Mr. EMMERSON: I assume that includes all the charges because the statement is headed 'Intercolonial Railway; cost of transporting freight per ton mile, April, May and June, 1913, and April, May and June, 1912.' The items are given in the statement and show the cost per ton mile in 1913, to be ·56 while in 1912 the cost per ton mile was only ·50. In the month of June, 1913, it was ·67.

Mr. J. D. REID: Did I understand the hon. gentleman to say that the statement showed that the cost per ton mile for carrying freight on the Intercolonial was ·05 per cent?

Mr. EMMERSON: It is a little over half a cent per ton per mile.

Mr. REID: Did I understand the hon. gentleman to say that 400 tons of freight cost $616? If so, would not that show 1½ cents per ton mile?

Mr. EMMERSON: No, I said that it cost the railway a little over half a cent to carry one ton a mile, and that if you carried 400 tons one mile it would cost $2.24. If you multiply that $2.24 by 275 miles you get the final results, namely, $616.

Mr. BORDEN: Why do you bring in 400 miles and then 275 miles?

Mr. EMMERSON: I mean 400 tons.

Mr. BORDEN: You said 400 miles.

Mr. EMMERSON: I was wrong. The cost of one ton would be a little over half a cent—·56. To carry 400 tons one mile would cost $2.24, and if you carried 400 tons 275 miles, which is the distance to Halifax, it would cost $616. That is according to the return placed upon the table by the minister. What does the Intercolonial get for carrying that freight?—$300.

It is inconceivable. What are the charges that are made against the general

public in respect to the carriage of freight? This arrangement discriminates for some particular purpose in favour of the competing railway interest to the detriment of the general interests of the railway. That is my contention and I say it is one of the most iniquitous agreements that was ever entered into, that it was entered into without the authority of law and that the Government condoned and continued it. I am speaking without reference to any rival interests in this regard; I am speaking of this simply in the interest of the Intercolonial railway.

Mr. CARVELL: They have to bring back the empties?

Mr. EMMERSON: They have to bring back these cars free. All deadheading of cars is done by the Intercolonial without charge.

Mr. J. D. REID: But they take 5 p.m. loads back.

Mr. EMMERSON: No.

Mr. REID: If there is any freight they take it.

Mr. EMMERSON: If there is any freight they utilize the cars, but otherwise the cars are carried free. I have seen empty cars going back from St. John or the other way. One of the most serious hitches in this agreement is that it has disorganized the traffic of the Intercolonial railway. They were short of motive power. The discontinuance of many of the suburban trains, about which complaint has been made, was necessitated by the railway utilizing the motive power in order to do Canadian Pacific railway business. Suburban trains had to be cut off. The general interests of the people had to be interfered with. They were discriminated against in the interests of a competing railway. Would any such agreement be entered into between private railway corporations? Could the Canadian Northern, which has its steamers landing at St. John throughout the winter months, secure rates anything like that between Montreal and St. John over the rails of the Canadian Pacific railway? It would not be thought of, and I venture to say that if a proposition of that kind were made to the Canadian Pacific railway they would spurn it, and properly so, in my judgment.

The Government are responsible for the management of the road. They are responsible for every act of their general manager. They are responsible for this Gutelius-Bosworth agreement. They are responsible for the importation of men from the United States to carry on the business of the railway. I do not take the position that simply because a man is an American citizen he should not be employed by the Government or by any private interests. I do remember that in 1905, on the floors of this Parliament, I listened to a most severe condemnation of the Government of that day because they had condoned the employment by the Grand Trunk Pacific of American engineers in running the preliminary surveys through the northern part of Ontario and the West. The condemnation by hon. gentlemen opposite was very strong; motions were presented and complaints were made even by my right hon. friend the Prime Minister himself in respect to this matter because, forsooth, American citizens had been employed by the Grand Trunk Pacific in running surveys for the purpose of getting information for the advantage of that railway that they proposed to construct from North Bay to the prairies of the West. A commission was appointed by the Government of the day, at the demand of Parliament, to inquire into that. I believe in reciprocity of trade between Canada and the United States; I believe in reciprocity of brains between this country and the United States; I believe that we have in the pulpits and educational institutions of the United States, Canadians who stand foremost as pulpit orators and great educationists, and I think properly so; and we have in Canada, Americans of the same calibre who are occupying similar positions here. It is well it should be so, but the point I am making is that the Conservative party when in opposition howled themselves black in the face because temporary employees who were United States citizens were taken into the service of the Liberal Government, while to-day they are placing on the Intercolonial permanent officials who are not British subjects. In the town from which I come a party consisting of sixteen or seventeen men and boys is making a survey of the grades on the Intercolonial railway, and three of them are Americans.

Mr. J. D. REID: They have been in the country eight or ten years.

Mr. EMMERSON: No, they are men brought in by Mr. Gutelius and his friends. The chief engineer of the Intercolonial was appointed when he was an American citizen.

Mr. REID: He has been in the country eight or ten years.

Mr. EMMERSON: I do not know how long he has been in the country, but he is an American citizen and he has been appointed on the Intercolonial railway.

Mr. MACDONALD: It makes it all the worse if he has been in the country for eight or ten years without becoming naturalized.

Mr. EMMERSON: Did the Government insist on these men changing their allegiance before they appointed them to office? The complaint I have to make is that all this is done to the detriment of the employees of the Intercolonial. There is not an official holding a position of highest responsibility on the Intercolonial who was trained in the service of that railway. You can find men trained on the Intercolonial holding the highest positions in the service of great American railways, and when it appears that this Government has imported twenty-seven engineers to the staff of the Intercolonial to the exclusion of men who had been trained in the service of that railway, it will be easily seen that this system is to the detriment of old employees. The Government has even ignored the age limit in making appointments. Under the Provident Fund Act no man can be appointed who exceeds the age of 45, and if he has no railway experience his age must not be over 35. But this Government, to the detriment of the men on the Intercolonial, are bringing in outsiders from other railways, whose ages far exceed the limit of 45. One of them, for example, was 83 years old.

Mr. J. D. REID: Who was that?

Mr. EMMERSON: Mr. Murphy.

Mr. REID: Is that the only one?

Mr. EMMERSON: There are others beyond the age of 45. I mention that case because it was an outstanding case.

Mr. REID: I think you are only imagining the rest.

Mr. EMMERSON: These men are employed permanently to the exclusion of others, and the result is that the men on the Intercolonial have no hope of preferment, and are injured in their standing as railway men. Mr. Gutelius was imported by the Canadian Pacific railway from the United States, then from the Canadian Pacific railway to the National Transcontinental Railway inquiry, and then he was placed in the position of general manager of the Intercolonial railway at a salary nearly four times as much as that paid to his predecessor, Mr. Pottinger. Mr. Gutelius believes in the employment of railway men from outside, because they are closely allied with him. We have a general superintendent of the Intercolonial railway with his brother-in-law the assistant superintendent. Nepotism prevails. Talk about political influences; worse than political influence prevails to the great injury of the Intercolonial Railway employees who entered the service years ago and who are familiar with the conditions of that road. Nothing is said against their qualification, but other men are placed over their heads. It is true that Mr. Gutelius came into the service of the Intercolonial railway, stating that the Intercolonial railway was under-officered and over-manned, but I think I am justified in making the statement that the Intercolonial railway to-day is over-officered in its engineering staff and in other branches of the service. There are assistants here and assistants there, and offices have been created that were never known before in connection with the operation of that railway, and salaries beyond anything heretofore paid are now being paid to these importations from other railway systems. The men are complaining all over the road of this system, and I think they are justified. It is to the injury of the country and to the injury of the railway. It cauterizes ambition, suppresses the natural aspirations of the employees, and does incalculable injury to the railway itself. I shall not now go into the many details I have at hand in connection with the management of that road; I think I have demonstrated sufficiently the facts to justify me in moving, seconded by Mr. Marcil, in amendment:

That all the words after the word 'that' in the proposed motion be struck out and the following substituted therefor:

That the methods of the present management of the Intercolonial railway are oppressive and unfair to the railway employees and to the public and detrimental to the business interests of the country and the railway; and, that in the opinion of this House the Government is deserving of censure therefor.

Hon. J. D. REID (acting Minister of Railways): Mr. Speaker, I may say at the outset that I am sorry the Minister of Railways (Mr. Cochrane) is not present to reply to the hon. member for Westmorland (Mr. Emmerson) because of course the hon. minister knows more about the whole situation on the Intercolonial railway than I could possibly know.

However, I will try to follow the hon.

member and reply to a few of the statements he has made.

He remarked at the outset that the Intercolonial railway has received considerable attention for a number of years past in this House. That is certainly the fact. I remember that while we were in Opposition we certainly criticised the Intercolonial railway, and I believe rightly. I was very glad to know that the hon. gentleman agrees with the policy of the Minister of Railways and Canals in having the road managed by a general manager instead of by a board of management. Later, of course, he did not appear to be satisfied—

Mr. EMMERSON: With the selection.

Mr. REID:—with either the selection or the way the present general manager carries on his work. I will come to that later on. The hon. gentleman objects to the statement I made in my speech of the 24th of March, with reference to the board of management putting in force the increased rates on the Intercolonial railway. As I understand the matter, some time previous to the change of Government, the board of management had been considering the advisability of increasing the passenger and freight rates. The board thought it necessary to increase the rates, on account of the increased working expenses of the road. The board had gone into this matter thoroughly, and it takes months and months, I suppose, to figure out a new schedule of rates. They decided upon a schedule that they believed fair and reasonable, and just prior to their going out of office they put these rates into effect. The general manager, Mr. Gutelius, if I remember rightly, did not take office until the 1st of May, some time after these new rates were put in force. When the new rates were fixed, there is no doubt, there was a great outcry on the part of many of those along the line who use the Intercolonial railway for the shipment of their products. But since Mr. Gutelius has had with him Mr. Hayes as general freight agent, to assist him in remedying the grievances that certainly did exist, those grievances were remedied as fast as the work could possibly be done, Mr. Hayes, took office, I think, on the 1st of July, and the result of his work has been, I think, that there are now no grievances on the Intercolonial railway so far as rates are concerned. So I think I was perfectly justified in making the statement that I made on the 24th of March, that if there was blame in connection with the advanced rates, that blame rested upon the board of management.

Another point raised by the hon. member is with regard to the surplus on the Intercolonial railway. The system was adopted—seven or eight years ago, according to the hon. gentleman—under which $25,000 a month or $300,000 per annum, was to be charged to the working expenses, and to be laid aside instead of being paid into the consolidated revenue fund; and was to be spent each year for new equipment on the road. If at the end of the fiscal year there was a surplus over and above working expenses including this $300,000, the surplus also was to be transferred to this fund and spent for further equipment. In other words, it was decided that all the profits made should go back into the system for renewal of equipment.

Mr. MACDONALD: Who decided that? The hon. gentleman means that the minister decided in a particular year to do that.

Mr. REID: It was decided, I understand, in 1906, to charge $25,000 a month, $300,000 per annum, to working expenses. If there was anything over and above that, it was a surplus; if there was any deficiency, it was a loss. Every year there has been at least $300,000 on hand to be expended for renewal of equipment.

During the course of his remarks, the hon. gentleman made reference to my statement in which I showed a surplus of $300,000. In this statement, which I made on March 24—page 2039 of 'Hansard'—I gave the exact figures for every month during the whole of the year 1913-14, with the exception of the last two months. The figures with regard to those months had to be estimated, and I understand that they are about correct. In totalling up the working expenses, this $300,000, or $25,000 a month, was first charged, and the earnings, $12,802,973, show a surplus of $300,000 over and above working expenses. My statement, therefore, was perfectly fair and right; I do not think anything the hon. member has said would justify any other conclusion. I have before me a statement made by the hon. Minister of Railways and Canals last session, which, I believe, was made up in the same way as my statement was made up this session.

Mr. EMMERSON: What does the hon. gentleman say with respect to the figures for last year, which showed a deficit of $161,000 on June 30?

Mr. REID: I have not the statistics before me just at this moment. The hon. gentleman complains that the Government have not taken over the branch line railways. I think that last session it was agreed by every member of the House that it was impossible for the Government to take over the branch lines under the law as it stands on the statute book. This conclusion was borne out by the fact of the hon. member for South Renfrew bringing in a resolution in 1911 to take over a number of branch lines instead of acting under legislation already on the statute book. The hon. member, with every other member of this House, agreed last year that the Bill which was passed by the House was right and fair; there was not one dissenting voice.

Mr. EMMERSON: I dissented from it. I said I would not press my opposition to the Bill, but I took exception to the character of the legislation.

Mr. HAZEN: I think the hon. gentleman took exception to the Bill because it did not go far enough.

Mr. EMMERSON: I took exception on the ground that it was dangerous legislation; that no minister should have power to purchase a railway 200 miles in length without submitting the matter to Parliament. The point I make is that, regardless of present legislation, the Government of the day can acquire any one of these lines if they want to.

Mr. REID: When the Branch Lines Bill was before the House last year, hon. gentlemen unanimously agreed that the Bill should go through, but, just before the House prorogued, the Senate returned the Bill with an amendment, after this House had unanimously passed it without amendment.

Mr. EMMERSON: What was the amendment?

Mr. REID: I have not the Bill before me; at all events, the Senate amended the Bill, for the purpose, I believe, of preventing it from being passed.

Mr. MACDONALD: What is there to prevent my hon. friend from making an arrangement to purchase the branch lines and asking Parliament before prorogation to ratify that arrangement?

Mr. REID: I will answer my hon. friend in a moment. As I understand the matter, there is no way in which we can possibly acquire any of those branch lines without asking Parliament to pass a Bill authorizing us to acquire them by purchase or lease.

Mr. CARVELL: What is wrong with that proposition?

Mr. REID: The session is not yet over. I do not think the Government are entitled to any blame for not bringing in that legislation; the session has not yet come to an end.

Mr. EMMERSON: Bring it down; we will help you pass it.

Mr. REID: The hon. gentleman has no reason to complain so long as we are here in session. There is no doubt about the fact that there are some branch lines in the provinces which we must or should have, but until the necessary legislation is passed by Parliament we cannot, under the law as it exists at present on the statute book, take over these railways, unless we do as suggested by the hon. member for Pictou.

Mr. CARVELL: I am told that an agreement has been signed by the general manager of the Intercolonial railway to purchase the International railway. What is to prevent the minister from bringing down during the present session a Bill to provide for the acquisition of that railway?

Mr. REID: The hon. member knows that the general manager has no power to make an agreement with any branch line railway without its being confirmed by the minister, by the Government and by Parliament. I did not know that there was any such agreement; the hon. gentleman knows more about it than I do.

Mr. CARVELL: I have not seen it, but I am satisfied that it exists. Will my hon. friend the acting minister say that there is not in existence an agreement, signed by Mr. Gutelius, for the taking over of the International railway?

Mr. REID: If the hon. gentleman wants to get information on that point, he will have to ask the hon. Minister of Railways and Canals upon his return. He is running the department; I am only acting for him.

Mr. CARVELL: What about the acting minister?

Mr. REID: I have had nothing to do with it, so that I cannot answer the ques-

tion. The hon. member complains that the Intercolonial railway roadbed has not been maintained up to a proper standard; that it is not in as good a condition as it was two or three years ago. My information is that not only the roadbed has been kept up but it is in much better condition than it was a few years ago. In fact every person I have met who has travelled over the Intercolonial railway has told me that it is one of the best roadbeds in Canada. So far as the management is concerned I understand that the whole passenger service is carried on in the very best way. I am surprised that the hon. member should make an attack such as he has made to-day with respect to the service because I do not believe that it will be good for the railway to have an attack of that kind made on it when there is, in my opinion, no just reason for making the attack. The hon. member complains about the standard rules. I know that on the Intercolonial railway to-day we have two systems of rules. We have the standard rules in existence on the part of the road from Montreal to Lévis, and then we have the old rules on the other parts of the system. The condition to-day is that different parts of the road are under these two different sets of rules and I think every member will agree that that is not a good plan to have in force on any railway system. In putting the standard rules into force I believe the general manager is right, because every other railway in Canada is adopting these standard rules. They have been approved by the Railway Commission and surely, if the other large railways, like the Canadian Pacific railway, Grand Trunk and the Canadian Northern railway, are using the standard rules they must be better than the old system that has been in force on the Intercolonial railway for very many years. In putting these rules into force the general manager has given several months' notice to the employees and my information is that up to the present time some fifty or sixty per cent of the employees on the part of the system where the standard rules are not now in force have passed the examinations satisfactorily and are well pleased with the prospect of the standard rules coming into force. In addition to that the general manager tells me that a great many of the rules that are embodied in the standard rules are a part of those that are in force on the Intercolonial Railway system, and therefore it is not so much trouble for the employees to become acquainted with the standard rules in a very short time. In addition to that the general manager tells me that he has some twelve or thirteen instructors along the line educating the employees in so far as the standard rules are concerned and he is doing everything possible to see that the men who have been on the Intercolonial railway for many years have every chance of learning the rules with the view of keeping them in the same employment that they are in at the present time. In addition to that, in case it should be found that there are any employees not qualified on account of not being able to learn the rules, it is the intention of the general manager that those men will not be thrown out of employment but that they will be given some other position on the Intercolonial railway where they will be well looked after and will continue in the employment of the railway. Is it not right that we should look to safety first? Is it not right, and I am sure the employee himself will agree that if it is found that he is not qualified, perhaps on account of his eyesight or some other disability, to continue in his position on the railway, he should be relieved of the responsibility and put in some other position on the railway? On the other railways the adoption of the standard rules was for the purpose of protecting the public, protecting life from danger; and in putting them into force on the Intercolonial railway that is the object of the management.

Mr. CARROLL: Has the department any statistics to show the comparative number of accidents on the Intercolonial railway under the old rules and on other roads under the standard rules?

Mr. REID: I could not say. I have not been following the railway statistics to get that information on account of the short time I have been acting for the hon. Minister of Railways and Canals. The hon. member also complains because some employees are, as he states, American citizens. There is no doubt at all that the hon. member made that statement for political reasons. He wishes that to be heralded down in the lower provinces that we are putting on American citizens on the Intercolonial railway. Let me tell the hon. member that any men who have been employed on the Intercolonial railway have been in this country for years, and surely in taking them from some other place or position that they have been occupying in other parts of Canada and putting them on the Intercolonial railway, we have not

questioned whether they were Canadian or American citizens.

Mr. EMMERSON: I know my hon. friend does not wish to misrepresent me. I did not say that because a man was an American citizen he should not be employed. I expressed surprise that a party that would raise such a fuss in 1903 with respect to the employment of American citizens should be employing permanently American citizens on the Government railway. What I did complain of particularly was the importation from the Canadian Pacific railway to the exclusion of Intercolonial-trained men. That was the point I wished to strongly make.

Mr. REID: As I understand the hon. member he claims there are no Intercolonial-trained men occupying important positions on the Intercolonial railway. The general manager is Mr. Gutelius. Then there is Mr. Hayes, the general freight agent.

Mr. EMMERSON: Mr. Hayes is an American citizen.

Mr. REID: I do not know if he is or not, but if he is he has been in this country for many years.

Mr. EMMERSON: He is a good man, I am not complaining.

Mr. REID: The hon. member made that statement for some purpose. He threw out the insinuation that they were American citizens. Then there is Mr. Brown and Mr. Brady the superintendent who was taken from the Canadian Pacific railway by the Government in power at the time he was appointed, so that taking men from the Canadian Pacific railway originated with the late Government.

Mr. EMMERSON: He was out of employment.

Mr. REID: No; he was taken right from the Canadian Pacific railway.

Mr. EMMERSON: Oh, no.

Mr. REID: Then there is Mr. Richardson, his brother-in-law, who was put on by the former Government. The four superintendents are all men who have been on the Intercolonial for many years. As I understand, there are four district superintendents, and they have been practically raised on the Intercolonial.

Mr. EMMERSON: Mr. Hallisey was replaced by Richardson.

[Mr. J. D. Reid.]

Mr. REID: Mr. Hallisey has not been replaced; the hon. member knows that. Mr. Hallisey, one of the superintendents, is located at Truro, and I am informed by the general manager that he is one of the best on the line.

Mr. EMMERSON: I agree with you.

Mr. REID: A short time ago he was, unfortunately, taken ill and had to be allowed two or three months' leave of absence. In the meantime Mr. Richardson is acting temporarily in Mr. Hallisey's place, and when he returns Mr. Richardson will go back to his old position. There is nothing wrong in that, surely, and I cannot see why the hon. gentleman should raise a rumpus over it. The hon. member complains that many men are taken on the Intercolonial who are over age, and he mentioned Mr. Martin Murphy.

Mr. EMMERSON: There are many others.

Mr. REID: The hon. member has not mentioned any others. At all events, Mr. Murphy seems to be the one he has a grievance against.

Mr. EMMERSON: How old is this gentleman?

Mr. HAZEN: He is not as old as Mr. Schreiber.

Mr. REID: The hon. member states that he is about eighty. As I understand it, Mr. Murphy held some position in Nova Scotia which puts him in an especially favourable position for collecting certain statistics, and he has been temporarily engaged to do that work. I do not see where the grievances exist. I think my hon. friend has simply made his little speech with a view of trying to make political capital in the lower provinces. From the information I have, the Intercolonial is running satisfactorily to the public, and I am having no complaints in connection with it. The Ocean Limited, which the hon. member complained about, was taken off because the cost was so great and the traffic so small during those two months that it was considered better to return to the policy that had been in existence for so many years. With only one train running the results are practically the same as when the Ocean Limited and the other train were running together. At all events, that is the information I had some little time ago, and I believe it is correct. I do not think that the hon. member has made any statement that would justify the House in supporting his motion,

and I therefore trust that it will be voted down.

Mr. E. M. MACDONALD (Pictou): The resolution which has been moved by my hon. friend from Westmorland (Mr. Emmerson), asks the House to declare that in its opinion the methods of the present management of the Intercolonial are oppressive and unfair to the railway employees and to the public, and detrimental to the business interests of the country and of the railway. The allegation contained in that resolution is but the expression of the opinion held all over the Maritime provinces in regard to the administration of the Intercolonial by this Government. My hon. friend who has just taken his seat (Mr. Reid) congratulates himself that he has not been bothered with many complaints in regard to the Intercolonial; and if he has not, he is certainly entitled to be congratulated. I am satisfied, however, that the hon. gentlemen sitting behind him who come from the Maritime constituencies, have heard a different story. Let me just instance the condition of affairs there as stated upon what must be good authority to my hon. friend. My hon. friend, the chief whip of the Conservative party owns and controls a newspaper in the town of Truro, called the Truro Chronicle. Nobody will accuse the Truro Chronicle of being in sympathy with anything which pertains to the Liberal party in the slightest degree. A few issues ago, it gave vent in a long editorial to the views of the people of the county of Colchester, and of the Maritime provinces generally, in regard to the management of the Intercolonial. I will just read enough to disillusionize the acting Minister of Railways of his idea as to the condition of affairs:

> We would respectfully suggest to Right Hon. R. L. Borden that he, as soon as possible, undertake a personal investigation of the Intercolonial railway matters. Do so before it is too late.
>
> As things stand to-day, there is not a constituency through which the Intercolonial railway passes, and that means about ten counties in Nova Scotia, that can be counted safe for the Government.
>
> The statement is not made in a spirit of carping criticism, but rather in that of the candid friend. Did we want to see the Government defeated, we would hold our peace in respect to these things, knowing that they are working to that end; but we do not want to see the Government defeated, hence we speak out in 'meetin,' and we know what we are talking about.
>
> Unless there is a change right soon, Conservatives representing Intercolonial railway constituencies had better resign now, and thus save themselves the humiliation of being turned down by the people when election day comes around.

So that my hon. friend is certainly living in an imaginative state of mind because the organ of the chief whip of the Conservative party regards the situation so seriously as to call the attention of the Premier himself to it, demanding that he, disregarding the acting Minister of Railways and everybody else, should personally give his attention to the situation. I think, therefore, that my hon. friend the member for Westmorland was quite justified in calling the attention of Parliament to the condition of affairs, which my right hon. friend the Premier has entirely failed to look into. The indictment which the hon. member for Westmorland has presented to-day is but the expression of what is stated everywhere along the line of the Intercolonial from Drummondville to the city of Sydney. And why is that? Let us examine the condition of affairs that has arisen under this Government. My right hon. friend, in the platform which he issued to the people of this country, declared that when he came into power he would place in control of the Intercolonial, a commission—no general manager, but a commission which would be actuated by the highest ideals, who would run the Intercolonial absolutely free from partisanship, without any regard to political patronage, animated solely and only by the idea that the best men should be got to fill the superintendent positions, and that the Intercolonial should be run in the interests of the people.

My right hon. friend dilated at very great length, wherever he spoke in the Maritime provinces, upon what he was going to do with the Intercolonial railway and with this commission which was going to be inaugurated. He came in, and found a commission there with limited powers. He said that their powers should be extended and that they alone should control, free from political influences at Ottawa or otherwise, the whole administration of the Intercolonial railway.

The Government assumed office, and the Minister of Railways and Canals immediately proceeded to violate my right hon. friend's promises, to obliterate everything in the way of commission control that had existed, and to find an expatriated American, whom he had utilized for other purposes, the making of reports and such like matters, to take charge of the Intercolonial railway. As a consequence, my right hon. friend's friends are speaking out in meeting, as they say, and asking him to come around and look into the situation because this gentleman who is in charge of the

Intercolonial railway is falsifying all the splendid, idealistic things that he had pictured before the people of the Maritime provinces and his old friends in regard to the operation of the Intercolonial railway.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

TORONTO, NIAGARA, AND WESTERN RAIWAY.

The House in Committee on Bill No. 59, respecting the Toronto, Niagara and Western Railway Company.—Mr. Currie. Mr. Blondin in the Chair.

Mr. GRAHAM: The hon. member for Lincoln (Mr. Lancaster) yesterday discussed this Bill at some length and moved certain amendments. Unrevised 'Hansard' got it mixed up in some way, and set forth that the objection of the hon. gentleman was to clause 5, but I think it was clause 7 to which he had reference.

Mr. BLAIN: My hon. friend from South Renfrew is quite correct; the Chairman of the Railway made the necessary corrections in unrevised 'Hansard.'

On section 7—construction of railway:

Mr. MACDONELL: We all regret, I am sure, the reason which made it necessary for the hon. member for Lincoln to speak on this Bill in advance of it being discussed in Committee of the Whole. No one regrets the hon. gentleman's ill-health more than I, and trust that the Chairman of the Railway Committee may be back here soon in his accustomed good health. I think the hon. gentleman has an obsession with regard to the importance of this section. This Bill was on two occasions before the Standing Orders Committee, once after it had been discussed by the Railway Committee, and it was held that these amendments would be quite proper in the Bill. In the Railway Committee, the corporation counsel of Toronto and others were heard; the matter was fully and thoroughly discussed, and on a vote of 14 to 25, clauses 5, 6 and 7 were, on my motion, added to the Bill. Clause 7 is not a new clause. The clauses were all designed to safeguard the city of Toronto. Toronto has its difficulties with regard to railways entering the city, and it is now in the midst of solving them. For years past the city has been endeavouring to wipe out all level crossings, and to-day it is contributing over four million dollars to assist the railways to that end. Toronto asks no special privileges, but, owing to the circumstances of the case and the congestion of traffic, the problem of level crossings in Toronto is very different from that of level crossings in country districts or in smaller towns. The level crossing is now practically a thing of the past in Toronto. The railways along the entire waterfront from the extreme east to the extreme west are now being put on viaducts, and other means have been taken to remove level crossings, so that it may be said that the city has in hand a complete and final solution of the level crossing difficulty. There soon will not be a level crossing in the south part of Toronto, and the city is now embarking on a scheme for the removal of level crossings in the northern part of the city. Just where this railway has its right of way, adjacent to the Canadian Pacific railway tracks, the city has, at an expense of between one and two million dollars, contributed towards aiding the Canadian Pacific railway to raise their tracks on a viaduct from Yonge street to a point west of Dufferin street, over two and a half miles in length. The right of way of this road runs alongside of that.

The chairman of the Railway Committee talks about vested rights, but this company has no vested rights. The hon. gentleman was quite mistaken when he said that this company had undertaken certain work in the city of Toronto. They have not removed one shovelful of earth, they have not graded a rod, and they have not laid a tie. All they have done is to acquire the right of way, for about two and a half miles, which crosses on the level some twenty-four or twenty-five streets in the city. All that the amendment asks is that this company be not permitted, without the consent of the city, to cross these streets on the level. This company was incorporated in 1903, eleven years ago, and, though it has had various extensions of time since, up to the present they have not done anything in the city of Toronto. They were granted extensions in 1904, 1906 and 1909, and they are now asking for a further extension. The uncontradicted evidence produced before the Railway Committee was that they had done no work outside of Toronto. It is true that they formed some combination with the Toronto

Suburban Railway Company, and that that company has done certain work outside of the city, but no work has been done by this company under its charter either inside or outside of the city of Toronto except the acquiring of a certain right of way. As I have said, they cross twenty-four or twenty-five streets in the course of the two and a half miles which they have already purchased, and they may go through two and a half miles more of the city and cross fifty streets. It is now asked, in view of the fact that Toronto is now spending millions of dollars with a view to removing its level crossings, that this railway should not be allowed to do what other railways are not allowed to do. This same provision has been put in railway Bills during the last three or four years. While the hon. member for South Wellington presided over the Railway Committee, similar clauses, identical in language, were inserted in at least three different railway Bills. In 1910 a similar clause was put in Acts respecting the Western Central Railway Company and the Toronto Eastern Railway Company, and in 1911 in the Act relating to the Hamilton, Waterloo and Guelph Railway Company. This clause, therefore, has become a practically standard one, as applied to railways getting a charter into the city of Toronto, and similar clauses have been accepted by the committee from 1910 up to the present time, uniformly and without exception. It is interesting to note that the railway company is quite satisfied with these provisions. In their opinion, they are suffering no hardship. In the Railway Committee they agreed to accept these safeguarding provisions, and there can be no objection, so far as I can see, why they should not be inserted in the Bill.

The Chairman of the Railway Committee yesterday protested against the insertion of this safeguarding clause in the Bill because of vested rights. There are no vested rights in this matter; these people have had a charter for eleven years and have done nothing. When they got their charter, the district through which they were to go was almost entirely uninhabited; it was then part of the suburbs or outskirts of the city of Toronto. Now that very district is as near the centre of the city of Toronto geographically, east and west, as any line can be. If the wish of the hon. member for Lincoln is to prevail, they are to be permitted now to lay a railway, ten or eleven years after obtaining their charter, through a district which is in the centre of the city of Toronto. The reasons for safeguarding the people of that district have arisen since the charter was granted. Vested rights, if there are any, are in the citizens of Toronto through which city that road runs. The right of way bought and paid for by the company is to-day worth many times what they paid for it, and they are suffering no loss or injury in that respect; nor can they by any possibility be subject to any loss or damage in connection with their investment in Toronto. In view of the fact that the committee during the last four years deliberately approved these sections respecting railways entering Toronto, I do not see why at this late date we should make any change, especially in view of the fact that the railway people themselves are perfectly satisfied to accept these provisions. I ask the committee to pass the Bill as it came from the Railway Committee and the other committees of the House through which it went.

Mr. GUTHRIE: The point raised in connection with this amendment is an exceedingly important one, especially to those who reside outside of the city of Toronto. A very large portion of the people of Ontario desire to go to Toronto and to have every reasonable means afforded to them of obtaining access to the heart of that city. It so happens—and, I think, has happened during the last eight or ten years—that whenever railway proposals affecting the city of Toronto come before this House or before the Railway Committee, Toronto representatives are inclined to insist upon terms being inserted in the charters which are not accorded to any other cities in the province of Ontario or, so far as I am aware, in the Dominion of Canada. The question may possibly arise in the city of Toronto by reason of the fact that their street franchise, which is now held by the Toronto Railway Company, will expire in the course of six or seven years and they probably want to control their own streets at the expiration of that time. But apart altogether from the question of Toronto's rights in the matter, the people of Ontario also have their rights. Until the year 1910 I do not believe that any charter was ever granted in this House containing such a provision as section 7 of the present Bill. The reason why similar clauses were inserted in charters to which my hon. friend referred was that they were new undertakings. They had no previous rights; they

had never spent a dollar and the committee took the view that as they had never expended any money nor committed themselves to any great extent, they should be brought face to face with the fact that Toronto did not want any railways on or across their streets until the question of their street franchise was decided. That was, perhaps, a reasonable view and in the Bills enumerated by the hon. gentleman who has just taken his seat, clause 7 was inserted. But the result was that these railways were blocked. The Toronto, Hamilton and Waterloo railway, which my hon. friend has mentioned, was granted a charter containing a clause similar to section 7 of this Bill. It was supported by capitalists. A gentleman who attended the sittings of the committee where the Bill was very strongly opposed was His Honour the present Lieutenant Governor of Ontario. I have been assured by him that clause 7 was the blocking clause which really meant that the enterprise could not enter the city of Toronto except by tunnel, and the cost of that would have been so great that the project was finally abandoned.

But this railway, the Toronto, Niagara and Western, is an entirely different proposition. It obtained its charter, I think, in 1903 or 1904, and it has had its time extended once or twice. In the year 1909, it began active operations, or undertook the work of construction with a definite end in view. For that purpose the company went to the Railway Board, as the law says they shall do, and had their plans approved into the city of Toronto. Their application to the Railway Board was made in December 1909, and I have in my hand the order made by the board on that occasion. It was made in the presence of counsel for the city of Toronto, and for the Grand Trunk railway and for the Canadian Pacific railway. The company was authorized to cross streets in the city of Toronto to enable them to get at the terminal points they desired. That was only a preliminary order of the board. A subsequent order, made on the 10th of December, approves their plans of location of their line in the city of Toronto, crossing the twenty-four or twenty-five streets mentioned by my hon. friend from South Toronto. Then it was that the company expended its money. They did not take the streets, but they bought their own right of way immediately adjoining the Canadian Pacific railway to their terminal point. They paid a large sum of money, something in the neighbourhood of $100,000 or $125,000. Part of that money was paid to the city of Toronto itself for land which the city sold to the railway company. That location was approved by the Minister and approved by the board and they have held that location ever since, being in this respect in the same position as is the Canadian Pacific railway at this moment. Having that entrance, they immediately looked around for other points to which their railway might go in the province of Ontario. Their charters were from time to time extended—very much extended. They have the right to run from Toronto to Niagara, from Hamilton to Brantford, and on to Windsor; also through the counties of Peel, Halton, Wellington, Waterloo, Perth, and I think, Middlesex and Lambton. The road now under construction is from the western boundary of the city of Toronto to the city of Guelph. They have bought all the right of way.

Mr. MACDONELL: If I may be allowed, the hon. gentleman, in the committee was aware of the fact that it was stated that it was not this railway that was building from Toronto to Guelph, but another railway.

Mr. GUTHRIE: I will explain that: it is their money anyway.

Some hon. MEMBERS: No.

Mr. GUTHRIE: Perhaps I can explain that too. They have done their grading on a part of the road—I may say the distance from Toronto to Guelph is fifty miles. They have bought the right of way through the city of Guelph, and between Guelph and Berlin, and I believe they have surveyors out between Berlin and Stratford. Now, we in this House gave them power, not to amalgamate with other railways, but a peculiar power—power to invest in the stocks of other companies. This Toronto, Niagara and Western Railway Company, under the power we gave them in 1909, did invest in the stock of the Toronto and Suburban Railway Company, and the stock of that railway is to-day owned by the Toronto, Niagara and Western. The bonds which were sold were the Toronto and Suburban bonds now owned and controlled by the applicant company in the present case, and they obtained their money and went on to construct their road. The building is still going on, and ultimately, I believe, the road on the northern line will extend to Stratford, and perhaps through to Sarnia. On the southern branch it is now at Niagara Falls, it has purchased the right of way to Brantford, and I believe it is graded through the city of Brantford and

the intention is to go on to Windsor—thus making a very extensive system of radial lines in western Ontario. They have spent about a quarter of a million dollars, I believe. But the whole enterprise is being held up through want of an entrance in the city of Toronto, and if clause seven, as it is printed in this Bill stands, that railway will never get an entrance into the city of Toronto. The Board of Railway Commissioners in the order which they made, took care of the rights of the city of Toronto, placing this company on the same plane as the Canadian Pacific railway. The order of the board quoted last night by the hon. member for Lincoln (Mr. Lancaster), is as follows:

> One order may go in these twenty-five applications. I think one order will cover the whole of them. They may all be consolidated and one order issued in these terms. Authority given to applicants to construct across the streets mentioned, subject to the following conditions:
>
> 1. That if the tracks of the Canadian Pacific railway are at any future time elevated, then the tracks of the applicants shall be likewise elevated along the course of the line where the right of way lie adjacent to each other, upon such terms as the board may direct.
>
> 2. Protection to be provided at such crossings as the chief engineer of the board may require before the road is opened for traffic, and if protection is recommended at crossings that any other road is interested in, then the apportionment of the cost of such protection is reserved.

There is the authority of the board placing the Toronto, Niagara and Western upon the same plane as the Canadian Pacific railway. Now, the Canadian Pacific railway has not elevated its tracks.

Mr. CURRIE: Excuse me, the Canadian Pacific railway has elevated its tracks.

Mr. GUTHRIE: In North Toronto, where this road is?

Mr. CURRIE: Yes, that is where the hon. gentleman is wrong.

Mr. MACDONELL: For two and a half miles from Yonge street westwards.

Mr. GUTHRIE: Then, the city of Toronto is absolutely protected without clause 7, because they cannot construct without elevating these tracks.

Mr. CURRIE: Taking into consideration that the Canadian Pacific railway has elevated its tracks, and that the order of the Railway Board says that this company shall do the same as the Canadian Pacific railway, and the clause in the Bill being merely to provide the same in effect, I do not see what objection there can be to the clause.

Mr. GUTHRIE: The clause in the Bill gives the power to the city engineer absolutely to prohibit the line—

Mr. MACDONELL: No.

Mr. GUTHRIE: Read the clause:

> Unless with the consent of the city of Toronto expressed by by-law the railway of the company shall not be constructed along, upon, above or below any highway as defined by the Railway Act, but notwithstanding anything in this section the railway of the company may be constructed across any such highway, or along or across any easement acquired for public works in the said city, but only above or below such highway or easement, and only after the levels, plans and specifications thereof are approved by the engineer, for the time being, of the said city, or such engineer as may be appointed for that purpose, and the engineer for the time being of the company, and in the event of the said engineers failing to agree, by the Board of Railway Commissioners for Canada.

Now, if the Canadian Pacific railway has elevated its track where they are adjacent to the right of way of the Toronto, Niagara and Western, there is no necessity for the clause, because the order of the board provides that this company's tracks also shall be elevated.

Mr. CURRIE: The railway does not go alongside the Canadian Pacific railway for the whole of its length through the city. Is the hon. gentleman going to have it go on the level in these parts?

Mr. GUTHRIE: The parts where it is not adjacent to the Canadian Pacific railway. Now, my information is not the information I have been given by hon. gentlemen opposite, that the Canadian Pacific railway has elevated its tracks.

Mr. W. F. MACLEAN: I know it.

Mr. GUTHRIE: A portion of the tracks have been elevated, I know; but there is a large portion of the track that has not been elevated, and it is being operated, and the city of Toronto is not offering any serious objection; and in this case the city of Toronto got our money. Part of the money we paid for right of way was paid into the coffers of the city of Toronto.

Mr. CURRIE: I am rather surprised to hear the hon. gentleman express his ownership in this Bill. I have the Bill in my name, and I certainly have not a cent invested. It is very unusual for a member to come into this House and promote a Bill, stating that he has an interest in it in that manner.

Mr. GUTHRIE: Yes, as a resident of the province of Ontario desiring to enter the city of Toronto as freely as we enter other cities in Canada, I have an interest in it; and if such legislation is to be passed for the city of Toronto, it should be passed also for the cities of Brantford, Hamilton, Guelph and the other cities of the Dominion. Toronto should not have the exclusive right to say what railways shall come in or what shall not. The clause is a useless clause, if the Canadian Pacific railway has elevated its tracks because you have the order of the Board then to compel others. If the Canadian Pacific railway has not elevated its tracks—and I am still of the opinion that it has not for the entire distance—you have no right to stop these people coming. It is all right for the hon. member for South Toronto to say the land they bought is worth more to-day than when they bought it. That is problematical. I know some people who have land in Toronto who do not think it is worth what they paid for it, and they bought it within the last two or three years. This is a narrow strip of land not saleable except for railway purposes. But this company comes here having paid the city of Toronto and the private owners its money, having its plans approved on the order of the Railway Commission; and still because they ask time to complete their road the committee has said: no, we will block you at the city of Toronto. What use is the road to the rest of the province if it is to be blocked at the western limits of the city of Toronto? We do not want to transfer there from this railway to a street railway or one of the other railways. The Toronto, Niagara and Western Railway Company cannot do a street railway business through the streets of Toronto. That is provided against by another clause—clause 5. All the railway company want is a terminal point within the city where they can discharge their outside passengers and freight. The point in the Railway Committee was not argued very fully; the vote was a small one, only forty members being represented by the vote. The chairman and the minister were present, but expressed no opinion.

Mr. MACDONELL: The chairman expressed many opinions.

Mr. GUTHRIE: He left me a letter which he said I might read to the House, but I do not think it becomes necessary to read it. The whole truth of the matter is, so far as the vote is concerned that the

hon. member for North Simcoe, in whose name the Bill stood, accepted certain suggestions of the city of Toronto. That changed the opinion of the whole committee, and after the hon. member accepted the amendment of the member for South Toronto a great many who otherwise would have voted to exclude section 7 either did not vote or voted against its exclusion. But to my mind it is nothing but an outrage that those of us who live in the outlying counties, who desire to go to Toronto, cannot enter the city without getting off at the western boundary or taking another line in. We should be entitled to go in on this radial road. This railway runs within 200 yards of the house where I live. I know how convenient it is to me and to many people between Guelph and Toronto and so on to the city of Berlin. For these reasons I submit that the resolution offered by the chairman of the Railway Committee should be agreed to and that clause 7 should be stricken out.

Mr. W. F. MACLEAN: This road goes through the constituency which I represent. Ten or twelve years ago we had a population there of some ten thousand. Now the population is a good deal over one hundred thousand. At the time the first Act of Incorporation was given, as was said here this afternoon, there was no population to any extent, not even a suburban population. Now it is largely built up. There are certain things incidental to a railway charter. If you got a charter thirteen years under certain conditions then prevailing, it does not follow that if you fail to take advantage of the privilege granted you, the rights you then got must continue.

Mr. GUTHRIE: That is only four years ago.

Mr. MACLEAN: Twelve years ago they got their first charter. They did not act on it. The city has grown and we are trying now in Canada to do away with level crossings, even in the country. Nobody took a more active part than the chairman of the Railway Committe in the fight to secure the abolition of level crossings in connection with the city of St. Catharines, in his own riding. Toronto has become congested as a city and it has gone to great expense to elevate the railway tracks. It is elevating them at the water front at a joint expense of millions of dollars. Now in the upper portion of the city at an expenditure

of millions it is doing the same thing. I think we laid down the principle that all railroads in the city must be elevated, especially those that are to be built hereafter. We get nothing for our policy of trying to do away with level crossings if all those that come along now may make conditions worse after the expenditures we have made to remove this trouble. It is true that the Canadian Pacific railway to-day is being elevated at the north and where it adjoins this railroad; but this road goes further where it is not adjacent to the Canadian Pacific railway and therefore we will have the evil of a railway coming in to the congested streets of a city with insecure protection to the public. The very same people who have this charter, as I believe, the Canadian Northern railway, recently got legislation to enter the city of Montreal. They come into Montreal by an expensive tunnel; but when they come to the city they were compelled to elevate their tracks and that is only in the last two or three years. The city of Montreal came to this House, represented by their mayor, and made the argument before our committee, and practically everything of the Canadian Northern railway is now elevated entering Montreal. I believe that in the public interest this road should elevate its track, but it certainly should consult the city as to its entrance. If they cannot agree they can go, as the Bill provides, to the Railway Commission for relief. In the country we should try and abolish the level crossing; certainly we ought to stop it in the city. We are paying liberally to have it stopped and after spending that money if we cannot get relief we expect we might as well have kept our money and have the whole city grid-ironed with street railways on the level. The city itself hopes in a short time to give a tube entrance for all radial lines and I hope by the time this railway is constructed there will be a tube provided for their entrance. One of the great menaces of city life to-day is the destruction of human life, the number of people who are run down by street cars, automobiles and railways makes it a serious risk, and if we are to have railways coming into the city in a congested portion of Toronto there will be great danger to life; it will cost the company as much in the long run even if we do give them the privilege to come in on the level now. After ten years they would have to elevate at their own expense, and it is far better for the city and for the company that that should be done now for the safeguarding of public life. Safety first is everything in these things. We are making it more unsafe to go into the city, and we are interfering in a way with the right the city of Toronto has to control its own street railway franchises or underground franchises, whatever they may happen to be. Toronto wants to have a high-class city railway service owned by the public. It may take seven years more, or it may take only one year, but the moment the people own the railway the city of Toronto will be prepared to give, on terms, a first-class underground or elevated service for every railway that wants to come in. The city is prepared to put in tubes to give a first-class local service, and to provide the amplest accommodation for every radial to come into the city. We are also forcing another idea; that is, the joint usage of these elevated roads. Why should one compnay be allowed to build an entrance into the city on the level if some other company has already an elevated track? What the Railway Commission should do, and what Parliament should insist on, is to compel them all to come in over the same elevated tracks wherever it may be, thereby avoiding different grades; and we are trying to work that out. We are not trying to keep any railway from coming into the city of Toronto, we welcome them with open arms, but we say: Come in on reasonable terms, and if in a congested district consult the city as to the elevation of your tracks. For that reason I think the amendment already in the Bill is a good one. We have it in other Bills, and I think no injury will be done by continuing the principle and putting the same clause in Bills for other cities if they desire it.

Mr. CURRIE: As the Bill is in my name, perhaps a word from me may not be amiss. Unfortunately I had not read this Bill when it was placed in my name. When the Bill came before the committee strong opposition developed, and as a citizen of Toronto I thought that opposition was perfectly justified. I asked the promoters and solicitor of the road if they were prepared to accept the standard amendments which appeared in the Toronto and Eastern Railway Company's Bill. They said, certainly they were. The matter was put to the committee, and it was so carried and so ordered. Let me touch first of all upon the complaint of the hon. member for Wellington (Mr. Guthrie). There is no doubt that the city of Toronto is very badly served by radial railways. That is not the fault of the Parliament of Canada, nor the fault of the

legislature. In the first place, Toronto's street railway gauge is not the standard gauge. Everybody knows that radial railway to be successful must be able to carry express and light freight, and be able to handle freight cars, but no radial railway of standard gauge can match up to the traffic of the Toronto street railway, which is carried on a different gauge. I had the good or bad fortune to be reporting the council of the city of Toronto when that agreement was made. They decided then that they did not want any freight traffic over their streets, and they fixed their gauge so that the radial or steam railways could not move along their streets as they do in Winnipeg, St. Louis, Chicago and other places; so a radial coming into the city of Toronto must have a special track of its own or the gauge of some part of the street railway of Toronto must be altered. I think myself that the time has come when the city of Toronto must come to this Parliament to ask for a Bill enabling it to construct certain tracks across the city, if need be, so as to connect up with radial lines of an international character such as this, and which require a Dominion charter. Toronto is opposed to this Bill, and it has been pointed out to me that if this Bill passes in its original form it will virtually give a franchise to this company, on the level, over every street in the city of Toronto. I would prefer to sacrifice my seat in this House rather than have such an injustice done to the city of Toronto, or any other city, and I think that should be the feeling of every hon. member here. If the Bill as originally drafted contains such clauses, and does not contain the necessary safeguards for the city, it would be a very great injustice to Toronto, and a very valuable charter to the people who got it. As the promoters have accepted these clauses, and have never expressed anything to me to the contrary, notwithstanding everything that has occurred in this House, I do not see why any hon. member should get up and argue in favour of putting the Bill back in its original form. Bills have been passing in this form for years, and I think all interests will be served if the Bill passes in its present form. I live within gunshot of the Canadian Pacific railway tracks in the city of Toronto and close to the railway right of way mentioned by my hon. friend, and I know that the Canadian Pacific track has been elevated for a considerable distance and in a few months will be elevated right across the centre of the city. Having seen people killed at level crossings, and having narrowly escaped, myself, once in the city of Toronto, I have no great friendship for level crossings. I think this House has made up its mind that the day of level crossings is ended so far as any new charters are concerned. If this charter is all right and the road was needed, it should have been built a number of years ago when the promoters had all the rights which it is held they now want. I think the committee will be perfectly justified in putting the Bill through as it is, instead of obstructing it and ending by not passing it at all. We have very few minutes left in which to pass it.

Mr. HENDERSON: This is not a new quarrel. I think the trouble of keeping radial railways out of Toronto commenced a good many years ago.

Mr. GRAHAM: When I was young.

Mr. HENDERSON: When more of us were young, younger than the ex-Minister of Railways. The Hamilton and Toronto Radial railway was the first to be refused the right to go into the city of Toronto. It has been constructed and is running as far as the town of Oakville in my county, which is about twenty miles from Toronto. Some portions of the road between Oakville and Toronto have been completed, but no entrance has been obtained into the city of Toronto; and consequently the promoters of the road are not attempting to connect up the different links between the city of Toronto and, I think, Mimico. True, legislation was passed by this House to enable that road to go into the city of Toronto, but it was on such onerous terms that it was impossible for the promoters to finance it, and consequently the matter has been practically abandoned. It was blocked simply because the city of Toronto got support enough to make the road so terribly expensive that the promoters could not raise the money, and the result is that the road is at a standstill, and will be until some cheaper way of getting into the city is found. I think the next Bill that came before us was that for the railway on the east side of Toronto coming from Oshawa or Whitby. The same fight was continued there. The people of Toronto, desirous of keeping every radial railway out of the city—

Some hon. MEMBERS: No, no.

Mr. HENDERSON: They say, Oh, no; but I know the history of this question. I have been as long in this House as any of these hon. gentlemen, and I know the fights that came up year after year and how many fights we had to try and get an entrance into the city of Toronto from the rural sections. There is no doubt about it that the people of the counties outside of Toronto claim that they have a right—I would say a vested right—to get into the city of Toronto. They have helped to build up Toronto. If it had not been for the people of the adjacent counties the city of Toronto would be a small town. The people of Toronto are indebted to the people of the country for the size of their city and the sooner they permit the people in the counties lying east and west to enjoy the privileges which they are by nature entitled to have the better for the city of Toronto. If they do not want our fresh eggs and prefer eating stale eggs, of course, they can shut us out, but they can have their choice. We prefer the fresh eggs, and we will use them. We have an abundance of them. We can supply the people of Toronto every day with all they want and more than they need if they will only let us in. But, unfortunately, they made a bad contract about twenty-five years ago with a company, giving them a franchise over the streets of Toronto to last for thirty years. That contract will not expire for six or seven years yet, and the people of Toronto are afraid that whoever owns this franchise in Toronto will claim heavy damages if any other electric road is permitted to get into the city and pass over its streets. Consequently these gentlemen are fighting, not for the city of Toronto, but to protect themselves against the penalties that would be imposed upon them if this road were permitted to get in. I hope and trust that very soon they will be willing to give up the fight, that they will see eye to eye with us and will be willing to let these outside roads find a way in. After they had imposed onerous conditions on the road coming in from the east, another application was made for the Hamilton and Guelph Railway Company—I am not sure whether that is the name or not, as there are so many of them—and these conditions were imposed so onerously that that company was prohibited from getting in. I do not want to talk the Bill out, but I want to get a resolution passed that will repeal clause 7, and then I am willing that the Bill should go through. The Toronto and suburban road is being constructed now through my county from one side of it to the other. It is graded, everything is ready practically to lay down the ties, and then we will have a road running from Guelph to Toronto if we can only get into Toronto. But the people of Toronto play—I was going to say hog, but I shall not use that term—they are very selfish, they say: No, we will not let you in; we have a railway in Toronto that claims the franchise and if we let any other railway in we will have to pay a penalty to Sir William Mackenzie; we do not want to fight him, but we would rather fight the people of the county of Halton. Consequently, they are putting a clause in this Bill that makes it impossible for this company to get in. I am told as a fact that when this clause found its way into the Bill three clauses were included in one motion. Had they been moved separately I do not believe this clause would ever have gone into the Bill but this was a shrewd plan adopted by those who were promoting the Bill to get this clause in. Consequently, they moved two clauses quite inoffensive and acceptable and a third clause very offensive and not acceptable and all went through together. The result is that the clause as it appears here practically shuts this road out of Toronto as long as this Act remains on the statute book. I appeal to the members of this House to be fair to the outlying counties and give the people the right to get into this big market which I contend the rural sections have created. I am quite sure that the people of Toronto will be well satisfied when they come to find the great advantage that will accrue to them from the operation of this road.

Mr. A. K. MACLEAN: They will have a chance to get Georgetown stone then.

Mr. HENDERSON: Yes, they will get it in abundance and get good stone too.

Mr. CURRIE: Would the hon. gentleman prefer to have the Bill talked out or to have it withdrawn?

Mr. HENDERSON: The hon. gentleman cannot withdraw the Bill without the consent of the House.

The CHAIRMAN: Shall clause 7 be adopted?

Mr. GUTHRIE: No, Mr. Chairman.

9 p.m. After hearing all that has been said—

The CHAIRMAN: Shall I report progress on this Bill?

Progress reported—the hour for private Bills having expired.

MANAGEMENT OF THE INTERCOLONIAL RAILWAY.

Mr. MACDONALD (resuming): My right hon. friend who now leads the Government (Mr. Borden) had a policy of his own in regard to the operation of the Intercolonial railway. The basis of that policy was the constitution of a non-partisan commission to rid the railway from all the evils of patronage and of political influence in regard to its operation and to provide for the operation of the railway solely and purely as a business proposition. My right hon. friend, I have no doubt, was sincere when he made those professions in 1907 and in various years down to the moment when the responsibility of dealing with the situation was placed upon him. Then my right hon. friend forgot the promises which he had made, the professions which he had uttered, and we have the system which exists to-day on the Intercolonial railway. When my right hon. friend had the responsibility of action in dealing with these propositions, he forgot all these professions, and, instead of having a non-partisan commission, he proceeded to do away with the commission which he found in existence when he came to power, and to appoint, as general manager of the road the gentleman who now fills that office. Under the regime of this gentleman we have gone back to all the evils of which my right hon. friend then complained. Partisanship in regard to the employment of men on the Intercolonial exists not only to the degree which he denounced some years ago, but to a very much greater degree than ever before in the whole history of the road. No man can be employed on the Intercolonial to-day unless he has a letter to the responsible official having to do with the operation of the road, from the Conservative member of the constituency, or from the Conservative defeated candidate, or from the Conservative committee. The Minister of Trade and Commerce, who sits next the Prime Minister, in the last Parliament moved in this House a resolution in which he condemned in the strongest possible terms the evils of patronage as applied to the selection of officials upon mere party grounds, and as to the purchase of supplies from political friends. Why is it that to-day these professions are forgotten, not only with regard to the employment of men, but in regard to the furnishing of supplies to the Intercolonial railway, for no man is allowed to furnish supplies to that railway unless his name is on the patronage list. And when it comes to the question of the distribution of contracts, I have known the present Minister of Railways to call for tenders for important supplies, and to disregard the tenders sent in and to proceed to distribute among his party friends the proportion of the articles required, according as it suited his political judgment.

In regard to the question of dealing with the men, I have here a letter from an employee of the road who gives cases which indicate how, under the present management, men who get drunk while engaged in operating trains are treated with favouritism by the present officials. Here is the case of a conductor whose train while unprotected was run into by another train, and the conductor had been taking a little something, and thirty demerits were charged against him. A railway engineer in Truro yard was taken off his engine and put on a shunter in the yard because he was shown to have been drunk; another one who had been working on a shunter was given a lower grade of employment, simply and solely because he had political influence to get the rules disregarded. There is a conductor on the Intercolonial railway running out of Truro, who is known to everybody in the province of Nova Scotia who travels on the train as having been frequently drunk while on duty. He was discharged, but he had the political influence to be taken back and he is now running as a baggage-master on one of the through trains of the Intercolonial. These are the conditions that exist to-day, and when my hon. friend from Westmorland (Mr. Emmerson) moves asking the House to condemn these things, the Prime Minister should remember what he said seven years ago, and if he meant what he said he should at least take hold of this question and, as has been suggested by his own friends, he should inquire into the management of the Intercolonial and see whether he cannot fulfil some of his promises in regard to it.

Mr. BORDEN: Will my hon. friend give the names of these men to whom he has referred?

Mr. MACDONALD: I will give my right hon. friend privately the names of the men as they have been given to me. In regard to this whole question of the Intercolonial, one fault I find with the present minister, genial gentleman as he is personally, is

[The Chairman.]

that he is indoctrinated by the narrow view that it is his particular business to see that he shall get out of the Intercolonial all the money he can get out of it. I want to point out to the Prime Minister, coming as I do from the same province as he, that a proper conception in regard to the operation of the Intercolonial is that it is a national proposition, and one which was provided for under the terms of Confederation, not for the purpose that Canada as a whole should proceed to extort money out of it, but that there should be provided for the people who lived in the then far away Maritime provinces, a convenient mode of access to this, what was then, the central portion of the Dominion of Canada. There went into the whole of the assets of the Dominion at the time of Confederation, the great system of canals to which we have been adding every year since Confederation until we have spent in the vicinity of one hundred million dollars upon that system. We did that for the purpose of carrying the products of the people of this part of Canada and of the West down through the province of Ontario, and we are carrying them absolutely free. Where have we ever heard in this House from any hon. gentleman from any other province of the Dominion any request or demand that the people of Canada should look to these canals and to their operation, as returning something into the treasury of this country? No such plea has ever been made, and for the simple reason that it was recognized that cheap transportation was one of the important things in the development of the country. We of the Maritime provinces, in respect to the operation of the Intercolonial railway, have the right to say to this Parliament, and to the Minister of Railways, that in the operation of the Intercolonial he has no right to tax our people; his only right is to see that the operation of that railway is so guided and controlled that he can get things to come out even. When the present Minister of Railways took charge of the Intercolonial he increased the rates then prevailing and put these increased rates in force. The present acting Minister of Railways, in that genial easy way of his, took the precaution when on March 24 he gave a review of the railway situation, to anticipate the objections that he had heard with reference to this increase of rates, by intimating that the members of the commission who had been in charge, subject to the govermental responsibility and control, had contemplated increasing the rates before the present manager of the Intercolonial railway came into office. The very fact that there had been in contemplation an increase of rates under the Hon. Mr. Cochrane, shows that the present managers of the road were acting under his guidance.

Mr. J. D. REID: It was done long before Mr. Cochrane came into office.

Mr. MACDONALD: The introduction of these rates was not done long before he came into office.

Mr. REID: Yes, it was.

Mr. MACDONALD: Excuse me, it was not.

Mr. REID: The hon. member for South Renfrew (Mr. Graham) had an Order in Council ready.

Mr. MACDONALD: Whether the hon. member for South Renfrew had an Order in Council or not, the increase of rates never took place under Liberal rule.

Mr. REID: That is because you went out of power.

Mr. MACDONALD: Let hon. gentlemen on both sides be judged by their actions. Who put these increased rates into force? They were put into force under the regime of the Hon. Mr. Cochrane. And for what purpose? For the purpose of extracting more and unnecessary money out of the provinces down by the sea. The hon. Minister of Railways found, after he had put these rates into force, that there came from every portion of the country vehement objection to his action. So, when Mr. Hayes came in, he was sent around to deal with the question. And what did he do?

Mr. J. D. REID: Reduced the rates.

Mr. MACDONALD: Not at all. The rates were increased in the first place from twenty-five to fifty per cent according to the schedule. In my own constituency the products of the farm and the products of the coal mines were increased from thirty to fifty per cent. But after these rates had been in force for some time along came Mr. Hayes. Did he bring these rates back to where they had been under Liberal rule? Not at all. But instead of decreasing them by from thirty to fifty per cent, he increased them anywhere from fifteen to thirty per cent. And then the acting minister tells us that he reduced them. A nice

way to 'reduce' them! Taking the schedules as applied all over the line, the increases under Mr. Hayes and under this minister, upon the people of the Maritime provinces, have been from fifteen to twenty per cent. And what is the reason why this is necessary? Because under this Government they have been sending gentlemen who do not understand local conditions and do not take the trouble to find out. They go there with the idea they are sent to run this road as a business proposition to the disregard of the people and of business interests along the line; and because they have been given carte blanche to run this as a business proposition, they have got it into their heads that the proper thing is to disregard the people, to believe that the people of the Maritime provinces, as some have said, have been 'living off the Intercolonial,' and it is time this should stop. That is what has occurred under the present Minister of Railways and the acting minister. If the present Minister of Railways wanted a general manager to put in charge of the road, David Pottinger, who had grown up from a boy on the line, and whose ability as a railway man is unquestionable and is recognized by everybody who knows him, would have dealt with the operation of the railway, and I venture to say that had he been appointed we should not find it necessary here to-night to criticise the Minister of Railways and the Prime Minister for the management of the line. For Mr. Pottinger would have applied intelligently the knowledge which he gained from his long experience on the Intercolonial Railway system and would not have put us in the position we are in to-day under these gentlemen who go down there from the various departments—mostly from the United States according to my hon. friend from Westmorland—and who know nothing about our people, their aspirations and desires, and whose ideas of the Intercolonial railway are so far away from the real position that they will never learn how to run it.

Let me give an illustration in regard to our great coal and iron industry. Up to the time that, under Sir Wilfrid Laurier, the Drummond railway was purchased and made part of the Intercolonial railway and we thus had a railway which reached the commercial metropolis of Canada, it was impossible for us to send these products of our province into Montreal on account of the extra charge made necessary by having to run over the Grand Trunk railway from Lévis to Montreal. Since that time, under reasonable rates and provisions made under the Liberal Government, these industries in the winter time were able to keep their men employed and keep their mines operating by sending their coal over the Intercolonial railway into Montreal. But when the new policy was inaugurated by the present general manager, the policy of penalizing these industries by raising rates to such a point that it was impossible for them to compete with American coal in the city of Montreal, we had this winter destitution, for the first time in seventeen years, around the coal mines of our province. And this is for the reason that under this management of the railway the products of these mines were debarred from the city of Montreal. Day after day, the coal mines did not work, because they could not get transportation for their products except at penalizing rates. That may be splendid statesmanship; that may be the means of building up a surplus of $300,000 or $400,000 to put in the general treasury of the Dominion, but I question whether, if you sum up the whole question of advantage and disadvantage to the people of this country, it can be characterized by any other name than that of stupidity. What has been the action of this gentleman, particularly in regard to the coal industry? A year ago, instead of awarding the coal contract to the coal mines in Nova Scotia for the Intercolonial railway supply in February or early in March, as had always been the case under previous managers, the situation was dawdled with, and no contracts were awarded until the spring opened. Now, along the Intercolonial railway, you have a condition that does not exist on any other line of railway east of the Rocky Mountains; you have the coal to run the railway right alongside of the railway itself. In Quebec, Ontario, Manitoba and Saskatchewan that situation does not exist, and only to a certain extent does it exist in Alberta. That any general manager of the Intercolonial railway should find it necessary to go to the United States to purchase coal for his railway would seem incredible. But what occurred? Instead of settling these contracts at an early period of the year, they were allowed to remain unsettled until late. Then contracts were awarded to the different coal mines of Nova Scotia. At that time the coal mines which shipped coal by water to the St. Lawrence had practically made their contracts for the use

of steamers during the summer season and as a consequence, the coal necessary for Levis and other points along the St. Lawrence were delivered by the two companies that tendered for the Nova Scotia and the Dominion, the quantity awarded in the spring by the present Minister of Railways. Everything went on as usual so far as their deliveries were concerned until about the end of September, when the general manager made up his mind that he wanted more coal at Levis and Montreal. He had got the supply he had asked for, but in September he decided to get more. So he wrote to these two companies engaged in the business of shipping coal to Montreal by water and asked them to supply him. One company said: we have made up our allotments for all we can do up to the close of navigation. The other agreed to give an additional quantity, and they did. But did not satisfy him and he went to two other companies that had not been engaged in shipping coal by water and asked them—this was early in October—to tender for the supply of 15,000 tons of coal at Levis. Now, when you come to Octobe in the gulf of St. Lawrence you come to a dangerous period of the year. The very fact that he proposed to ship by water when he had the railway and could have hauled it himself shows the ludicrousness of the position. He never asked the other fifteen companies that were raising coal and shipping it on the Intercolonial railway to send any at all. He asked the firm of George Hall and Company, of Ogdensburg, whether they could sell him 15,000 tons of American coal. The correspondence brought down shows what took place. Messrs. George Hall and Company agreed to sell the manager of the Intercolonial railway, for $3 a net ton, 15,000 tons of run of mine coal, to be delivered at Massena Springs, near the boundary line. Was that not a singular transaction, considering the political assertions of hon. gentlemen opposite with regard to their attitude in respect of trade with the people to the south of us? Was it not a singular thing for a department of the Government, without making any special effort to get the coal elsewhere; without demonstrating the necessity for getting it where they did get it, to disregard the 19 operating coal mines which were ready to supply coal along the line of the Intercolonial railway, and to purchase this coal in the United States, paying for it $3 a net ton, delivered at Massena Springs? How much did it cost us then? When they buy coal from the Nova Scotia mines they buy it, not by the net ton but by the gross ton, and they pay only $3.15 a ton for it. The price which they paid George Hall and Company for coal delivered at Massena Springs was $3.36 per gross ton, or 21 cents a ton more than they could get it for in Nova Scotia, delivered on their own rails. Upon that coal they were compelled to pay a duty of 53 cents a ton. According to the return which was brought down, it cost them 57 cents a ton for freight from Massena Springs to St. Rosalie Junction. On the same basis it would cost something like 23 cents a ton to bring the coal to Levis. They paid, therefore, $4.69 a ton for that coal at Levis, when they could have got it along the line of the Intercolonial railway for $3.15 a ton, could have hauled it every foot of the way over their own railway, could have found employment for their own men, and could have gone a long way towards preventing the destitution which existed during the past winter in the coal mining districts of the province of Nova Scotia.

Public attention having been called to the matter, the general manager of the Intercolonial railway gave an interview in Montreal on March 23. These are the reasons he gave for buying the coal in the United States; I want the House to follow me on this point:

> Here is the story in a nutshell. We purchase about 750,000 tons of coal, and last fall we ascertained by correspondence with the Dominion Steel Corporation, the Nova Scotia Company, and other sources of supply, that they were absolutely unable to deliver us enough, so we purchased 15,000 tons from the George Hall Company. We adopted this policy in view of the fact that we had decided to do away with the previous custom of hauling coal through from Sydney in the winter, while steamship freight from Halifax was side-tracked along the line to the loss and inconvenience of both the road and its customers. As for the future, I do not think that it will be found necessary to purchase any coal outside of the Dominion.

You will notice what this gentleman says: In the first place, he mentions the very extremity of the road as the place from which they would have to haul the coal if it were bought in Nova Scotia. I would point out that he could have got the coal in the constituency of the hon. member for Cumberland, 300 miles nearer Lévis than Sydney, where there are seven or eight mines operating. He could have got the coal in my constituency, which is only 500 miles from Lévis, and could have hauled it over the Intercolonial railway. But I want hon. gentlemen to note another ab-

solutely incorrect statement which he made in giving another reason for the procedure to which I have referred. He said that he did not want the sidings filled up during the winter with steamship freight coming from Halifax. Fortunately the information extracted from hon. gentlemen opposite by the hon. member for Guysborough shows the baseless character of that defence for this absolutely unjustifiable proceeding. In an answer obtained by the hon. member for Guysborough to a question he asked the other day, it is stated that the quantity of freight which originated in the province of Nova Scotia during the past year was 2,693,024 tons. What proportion of that amount was made up of freight which came from the seaport of Halifax? This tremendous amount of freight which prevented the general manager of the Intercolonial railway from keeping the coal mines of Nova Scotia going and from saving the coal miners from want. The proportion is 1/26—99,308 tons. That covers not merely the months of December, January, February and March, but the month of April of the previous year as well. So that the freight with which Mr. Gutelius did not want to interfere is but an infinitesimal portion of the freight going over the Intercolonial in winter. I want to submit to hon. gentlemen on the other side the question: Is it fair or right that we who live along the line of the Intercolonial railway and who are debarred in winter from connection by water with the central parts of the Dominion, should be told by the Government railway: we will not burn the coal that you produce in Nova Scotia; we will not haul it over the Government railway; we prefer to pay $1.50 more a ton to the Yankees than to buy our own coal and employ our own men on the Intercolonial railway. Is it any wonder that the hon. member for Westmorland moves a resolution asking that the operation of the railway under these conditions be condemned?

Having given that excuse as to why he purchased the coal last fall in the United States, what did the general manager do next? What did he do when the spring came, when the steamers were running to Montreal and there was no extra freight coming over the Intercolonial from the Atlantic coast? He shows the absolute flimsiness of his excuse by writing to the following companies:

J. Bert Ross, Buffalo, N.Y.
American Steel Company, Pittsburg, Pa.
Moreland Coke Company, Pittsburg, Pa.
Ernest Law & Company, Philadelphia, Pa.
Keystone Coal and Coke Co., Philadelphia, Pa.
Watkins Coal Company, Philadelphia, Pa.
Pennsylvania Coal and Coke Co., New York, N.Y.
Geo. Hall Coal Company, Ogdensburg, N.Y.
J. H. Weaver and Company, Philadelphia, Pa.
Whitney and Kemmerer, Philadelphia, Pa.
Widnoon Coal Mining Co., Buffalo, N.Y.
H. W. Somers, Albany, N.Y.

He asks these coal operators in the United States if they will submit to him an offer to supply all the coal required on the Intercolonial railway during the year 1914, 750,000 tons. When the general manager of the road, in the interview which he gave at Montreal, put forward the excuse which he did for purchasing coal from the George Hall Company last fall, he did not give the country the whole truth, If he did, why did he, in the spring of this year, ask fifteen American coal companies whether they would supply coal to the Intercolonial for this year? If somebody had not called public attention to the fact, the acting Minister of Railways and Canals would have been compelled—and I know he would have disliked it very much—to stand up in this House and admit that the Intercolonial Railway management had purchased summer coal in the United States, and try to apologize for it.

Fortunately for him we succeeded in calling public attention to this matter and scared the general manager of the Intercolonial off so that he did not venture to award any contract for this year to the American coal people. All the while the Department was dickering with these operators in the United States, in every coal centre in Nova Scotia there were women and children who were suffering from want under the conditions that exist under this Government. The conditions in every coal mining town in eastern Nova Scotia during the past winter have never been equalled in any year since 1895, when, fortunately for Canada, the Conservative party were put out of power. They brought all this back again. These gentlemen with their splendid administration of the Intercolonial railway, do not know enough about what is going on down in the country which this railway serves, to know that the last thing they should have done was to do what no other railway company would have done, go to the United States and ask them to supply coal to the Intercolonial during this year.

What further? When they got these offers the general manager, notwithstanding the poor condition of the coal industry in Nova Scotia, proceeded to insist that he would not pay the coal managers of Nova

Scotia last year's prices and so he drove the coal managers of Nova Scotia under these conditions to accept a less price than was paid last year and the year before. That is what these gentlemen are doing in regard to the operation of the Intercolonial in respect of these things. What has occurred further? Of course the general manager, with his huge salary, will probably save enough under this method of oppression which he is adopting in dealing with the coal industry of Nova Scotia, to pay this large salary of his for two years. But is the game worth the candle? Not only are they doing that, but by the increased rates which have been maintained in regard to these products they absolutely prevent the exportation of coal from the Maritime provinces into the central portions of Canada. I think the hon. member for Westmorland, in proposing the resolution, has only put into language what is the opinion of everybody who lives along the line of this railway from a business standpoint. There has been also complete disarrangement of the very satisfactory conditions that have existed among the men. We have in every department of the Intercolonial railway the brotherhood systems that exist on every other railway in the country, and notwithstanding this as a result of these new methods that have been introduced the principle of promotion of men born and brought up on the Intercolonial railway has been absolutely stopped. Wherever a new position was created whose occupant would have to assume some responsibility nobody but a man from some other railway either in Canada or the United States would be appointed. I think we can claim, and the Premier will not venture to dispute the assertion, that the men who are on the Intercolonial railway, no matter what party appointed them within the last twenty-five or thirty years, are the equal of intelligence and capacity of any other men on any other railway in Canada or in the United States. But no matter what the capacity or ability of a man may be he cannot be promoted. The principle seems to be that such a man is not fit for any job involving responsibility under this Government. The heartlessness that has been exhibited in regard to some cases there is striking. I have here a letter from a poor old man who has been on the railway for twelve years. One day he received a letter without any notice—no allegations of political partisanship about this, no suggestion of anything of that kind—but on March 23 this old man gets a letter as follows: 'Please arrange to make out form 86 for so-and-so, stopping this man from the service. Please see that this man is laid off on the night of March 31.' A week's notice to this man who is a car builder in the railway town of Stellarton; no complaint against him on the ground of politics; a quiet, simple old man doing his work. But some of these gentlemen in Moncton wakened up to the fact that he happened to be an old man. He had been on the road since January, 1905; his name is William Friel; he has been on the road almost ten years. If he were allowed to remain on until next year he would have qualified under the Provident Fund Act. Into that fund he had paid two and a half cents a day every day he had been on the railway since the Act came into force. He was set adrift almost in the middle of winter on a week's notice, no money was given him, not even the money he had paid in. He was told to go out and find what he could do; there was no fault except that he was getting old. I am bound to say that if the Minister of Railways were here—and in saying this I am not reflecting on the acting minister—he would have dealt with this case. Mr. Cochrane knows very well that there exist along the Intercolonial railway numerous cases of men who have grown old who might be thrown out in order to make way for younger men but who had not filled the allotted time. I understood that it was generally understood along the line of the Intercolonial railway that this winter legislation would be introduced to provide for these cases, that they would get back either the money that they had put in or participate in the fund, as they had a right to do. What I complain of is that men managing the Intercolonial railway have so little knowledge of our conditions down there that without any complaint against a man they discharge him on a week's notice, disregarding the claim which he had, if not in law at least in equity, upon the provident fund to which he had paid every day during his service on the road. Then there has been a rearrangement of railway centres in order to gratify the political friends who exercise political pressure. Men who have been living at the various railway centres, who have their homes there, who have had the conditions of life there were twisted around, their runs were changed and they were sent to different places and compelled to be away from their homes at night without any reason whatever. If there had been in charge of the Intercolonial railway a

general manager who had been brought up on the road, these conditions would have been recognized. It is no wonder that the Truro Citizen says to the Prime Minister what the real position of his friends is on the Intercolonial railway and this because of the absolute failure of the management to realize existing conditions that prompt men to make these charges as they occur in the Truro Citizen. We heard the present minister talk about safety first, the desirability of safety first among the employees. I was very much amused to hear him dilate upon that because I discovered in the Truro Citizen, which is said to be the organ of the Conservative whip in this House—whether it is his organ or not he is said to own it and probably he cannot control the editor—the paper furnished a veritable gold mine of criticism. It has a sarcastic article saying that under this railway management there are a great number of well-paid men going up and down the line instructing the old employees. One of those special officials sent out from Moncton a week ago a carload of dynamite attached to a passenger train. Such a thing had never been heard of on the Intercolonial before. Dynamite had always been taken under special conditions, and the train crew protested against the car of dynamite being attached to the train on which there were twenty-two passengers.

Mr. EMMERSON: That was safety last.

Mr. MACDONALD: You can have a great many theories about safety first and bring high-priced people from the United States to operate the people's road in this country, but the first thing the general manager should do is to find out all about the people for whom he is going to operate the road; that is, if he is going to operate it with any regard for their ideas. I do think it is the duty of the Government to think over, for a little while, this question of the indiscriminate employment of American citizens on the Intercolonial. No man should be proscribed on account of his birth. Where you have to do with companies, you have one condition; but when the Government of this country employs aliens to perform Government work, you have a condition that is not to be found in any other country in the world. Why, says my hon. friend the acting Minister of Railways, these men have been in Canada a long time; therefore that answers the argument that we should not employ them. They have been in Canada this long, that they do not want to give up their American citizenship. Certainly there has been some legislation removing the difficulties in regard to aliens. My hon. friend the member for Brandon (Mr. Aikins) perhaps can supply the common law on the subject of the employment of aliens under the Crown.

Mr. AIKINS: Might I ask the hon. member if the people of the United States do not employ hundreds of thousands of Canadians in the services of that country?

Mr. MACDONALD: My hon. friend was talking to the Prime Minister about the Canadian Northern railway, and he did not catch my point. When he listens to it I am sure he will agree with me. I offer no objection to a corporation employing a man, no matter where they get him; but I do object to the Government of this country taking money out of the treasury to employ aliens upon Government work when they can get Canadians just as good as the aliens they are employing.

Mr. LEMIEUX: And when there are thousands of unemployed in this country.

Mr. MACDONALD: I think that point should appeal to my hon. friend the acting Minister of Railways because he has had strong feelings upon this question. I recall the vigorous attitude he adopted in this House some three years ago, when he said that Canada's identity would be imperiled if certain things were done. One thing is certain, and that is that one department of the Government will soon be in the hands of an alien race—as they would put it—if the present policy is continued. The Intercolonial will soon be entirely under the control of the American people, who not only want to man it but who go across the line to buy United States coal in order to run it.

Mr. EMMERSON: An adjunct.

Mr. MACDONALD: Surely it is about time this thing should stop. I am surprised at the Prime Minister allowing it, but I do not believe he knows what has been going on. Now that his attention has been called to it, I am sure he will stop it.

Mr. CARVELL: Quite sure?

Mr. MACDONALD: I am beginning to lose confidence in my right hon. friend. He has good intentions, but so far I have failed to see him implement them.

Mr. CARVELL: Bad associates.

Mr. MACDONALD: I think the Prime Minister has voted in this House for a resolution that it is desirable in the interests of the Intercolonial that we should get branch lines. I am quite sure he has, but he has not been doing much at that particular job since coming into power. He found several propositions at hand which he might have accepted with the greatest possible ease, and without the expenditure of much money. Having admitted the principle that it is desirable in the interests of the Intercolonial to have as many feeders for that line as possible, my right hon. friend has not been at all active in the pursuit of that laudable idea. I do admire some hon. gentlemen opposite. When they want to excuse their inaction on any matter they say: The Senate will not permit us to do it. I have been waiting to hear a vigorous denunciation of the Senate from the Prime Minister, and an assertion on the part of the Government and himself of their intention to wipe out that nefarious institution; but he does not move on that line at all. He wants the Senate there to be blamed for all the things this Government have left undone that they ought to have done, and so that they can say when this branch lines question comes up: We could not take over branch lines because the Senate is there. My right hon. friend knows very well how flimsy that excuse is. When the Senate insisted upon the Government laying before Parliament all propositions for ratification, and insisted upon that principle alone, they were not doing anything so especially outrageous, or deserving of condemnation. My right hon. friend knows that to-morrow he could introduce into this House a Bill to ratify any arrangement that he made to take over branch lines for the Intercolonial. What does he mean by putting on the Order Paper a resolution providing all this money for the Canadian Northern railway. The Senate has not been asked to permit him to do anything of the kind. Of his own initiative he went out and made this agreement, brings it here to Parliament, and, if it is incorporated in an Act of Parliament, he has full rights to carry out the agreement notwithstanding anything the Senate has done. If he has not taken over branch lines for the Intercolonial, it is not on account of the Senate, but simply and solely because he does not want to do it. That is the whole proposition. If my right hon. friend addresses the House upon this question, and pays me the compliment of referring to anything I have said, I would like him to meet that proposition squarely, and let the House know as to whether the proposition I make is not correct. As a matter of law and of parliamentary practice, there is nothing to prevent him introducing a Bill, or any number of Bills, to take over any number of branch lines he wants along the line of the Intercolonial. It is just as well for the people of this country to realize that my right hon. friend and his party are responsible for not taking over those branch lines. Not only that, but my right hon. friend has utterly failed to supply the necessary branch lines for which funds had been provided when he came into power. I do submit to my right hon. friend that it was really unfair—he cannot justify it—that out of the two branch lines for which my hon. friend the member for South Renfrew had provided funds in the session of 1911, he should have picked out the one in his own constituency, and absolutely disregarded the other one for which the people interested had been fighting for a long period of time. That was pretty shabby treatment, and unworthy of my right hon. friend. I am surprised that he should have permitted such a course to be taken. The eastern portion of Nova Scotia is entitled to that railway accommodation. What is the use of the Minister of Railways saying: If somebody will show me where I am going to get some money out of this thing, I will consider it. That is not the kind of policy that is adopted in other cases. It is the excuse put forward to strike out of the Estimates all the provisions which had been made by my hon. friend for South Renfrew (Mr. Graham) and to disregard the contracts which had been entered into for a railway to Guysboro. That is part and parcel of the management of the Intercolonial railway and it is all included in the condemnation embodied in the resolution introduced by my hon. friend from Westmorland.

My hon. friend from Westmorland has referred to the terms upon which the Government have undertaken to haul Canadian Pacific railway trains from St. John to Halifax. I do not think that my hon. friend has quite caught the point in regard to the matter, if he will permit me to say so. The reason why the Canadian Pacific railway are paying the Intercolonial for hauling their trains from St. John to Moncton

or Halifax to-day is because the hon. Minister of Marine and Fisheries (Mr. Hazen) was able to prevent the hon. Minister of Railways and Canals (Mr. Cochrane) from giving them running powers over the Intercolonial to Halifax. The Canadian Pacific railway wanted to have running powers from St. John to Halifax in order to operate their steamers permanently from that point as their Atlantic terminus in the Dominion. The Minister of Marine and Fisheries prevented them from getting those running powers but they insisted that the Government could not refuse to give them those terms. They said: You cannot refuse to haul our trains if we pay you for it. Whether the amount paid for this service is small or large, I have not inspected the proposition as my hon. friend from Westmorland has. But this was the compromise which this Government made in order to protect the Minister of Marine and Fisheries in St. John. My right hon. friend, although he would not give running powers to the Canadian Pacific railway in order to get to Halifax, has, however, undertaken to give the Canadian Northern running powers over the whole Intercolonial railway from Montreal down to Sydney and to leave it to the Railway Commission to determine what they should pay for the privilege.

There is another phase of the management of the Intercolonial railway which comes within the confines of this resolution. The one thing that has characterized the present administration of the Intercolonial railway under this Government is the absolute disregard of the interests of the people. It is a development of the old Conservative spirit, the old theory that was enunciated in this House by a representative of the Conservative party that to those who belonged to that great party had been given the sole and divine right to rule and therefore we must assume the reigns of office and disregard the public. When they are dealing with a public service like the Intercolonial railway they operate it to suit themselves and with an absolute disregard of the interests of the people who are connected with it and the people who live along the road. To show that this opinion is not one which is held by myself alone, I resort again to the Truro Citizen of April 18, which has some very apt remarks in regard to this matter, and I think the House would like to hear them. It says:

[Mr. Macdonald.]

The gentlemen who are managing the Intercolonial railway at present may, to use a Yankee term, be as smart as chain lightning, but when they make a time table and leave the serving of part of the people out of it, their stock is liable to drop a point or two. It is time now to revise the statement that the Intercolonial railway was built for the people of the Maritime provinces. We have no doubt but that it was, but it has got nicely over it.

There has got to be a change. Those gentlemen, good railway men as they may be, have got to come down off their perches and see the people, or the people will cut the perches from under them. There are old ladies in this country wearing the old-fashioned caps and knitting rock maple socks that know more about the geography of the country than some of the latter day managers of the Intercolonial railway seem to know.

This gentleman has caught the point I was endeavouring to make that the trouble is that these men go down there not knowing anything about the Maritime provinces and they will not attempt to know.

Less provocation than is to be found in the management of the Intercolonial railway those days has driven men to drink and dogs from home.

He is a facetious gentleman, this:

The hard thing to understand is what particular spite they have against Right Hon. R. L. Borden and his followers in the House. They are certainly making trouble for those gentlemen. If these officials made the same trouble for the road they came from as they are making for the Government, little wonder they were exported and that, too, without an export duty. It is time for a change.

Mr. LAW: What paper is that?

Mr. MACDONALD: That is the Truro Citizen, a paper published in Truro and reputed to be owned by the Conservative whip in this House, who founded it and, as it says, it speaks out in meetings once in awhile. I might at greater length deal with the various questions that come up in regard to the operation of the Intercolonial railway, but speaking from the standpoint of the Maritime provinces, living there, connected with the business life

10 p.m. of those provinces, knowing something of the men who work on the road, knowing something of the condition of these provinces, I say that at no time in my recollection has there been such utter and complete disregard of the business interests of those provinces and the interests of the individual men who work upon the road and the common people of the Maritime provinces. I shall unhesitatingly, and with the greatest possible pleasure, support the resolution of my hon. friend from Westmorland.

Right Hon. R. L. BORDEN (Prime Minister): Mr. Speaker, we have spent two or three hours very pleasantly listening to various disquisitions upon branch lines, aliens, the Senate, coal, and boards of management. My hon. friend from Pictou (Mr. Macdonald) had better get a little instruction from the late Minister of Railways and Canals (Mr. Graham). He seems to think that the Intercolonial railway was managed by commission under the regime of that hon. gentleman. I have heard the hon. member for South Renfrew take exception in this House to the statement that the road was managed under a commission, and draw attention distinctly to the point which he had made that the road under his regime was not managed by a commission, but by a board of management. But the hon. member for Pictou, not having looked into that question very carefully, has fallen into a misapprehension in that regard. I take great pleasure in correcting him, and for the purpose of further detail in correction I would refer him to the hon. member for South Renfrew who has made it very plain to the House on various occasions.

My hon. friend from Pictou has made the allegation that the Intercolonial railway, under the management of my hon. friend the Minister of Railways and Canals (Mr. Cochrane), has been directed entirely by partisan considerations, not by considerations of reasonable business management. I take exception to that in the most unqualified terms, and I say that in so far as I have had a complaint—and I have had a complaint from time to time—in regard to the management of the Intercolonial railway, it has been that the railway has been managed too strictly on a business basis and not according to the basis upon which the management was founded in days gone by. I venture to say that if there is any dissatisfaction with the Intercolonial railway, it has proceeded from time to time more from the fact that the Minister of Railways and Canals has been disposed to give what has been regarded as too strict attention to purely business considerations in the management of the road. I do not think that any hon. gentleman who knows anything of the management of the Intercolonial railway during the last two or three years will venture to dissent from what I have stated in that regard.

A good deal has been said about the freight rates on the Intercolonial railway, but the hon. member for Westmorland apparently has not a very clear recollection of what took place under his own regime. He has asserted that an Order in Council is necessary to increase freight rates on the Intercolonial; but if he remembered clearly and distinctly the facts, he would, as I am informed, have known that an Order in Council was passed fixing maximum rates on the Intercolonial according to the standard in force on the Drummond Counties railway, and this without any special Order in Council, under the management of hon. gentlemen opposite, the rates on the Intercolonial were increased, because the increase did not bring them up to that maximum. I am also informed that the recent freight rate increases on the Intercolonial have never on any occasion reached that maximum, and that therefore no Order in Council was necessary, nor has one been passed. My hon. friend (Mr. Emmerson) does not seem to have been very well informed on this point. As to the increase in rates, the justification put forward by the Minister of Railways in this House last year, and I think by the acting minister this year, was, that certain items, amounting altogether to nearly $800,000 per annum, constituted an increase in the cost of operating the Intercolonial, and that among these items were a very proper increase of wages to the employees of the Intercolonial and a very large increase in the cost of coal, which together amounted to nearly $600,000. The Minister of Railways, acting within the maximum rates which had been fixed, not by us but by our predecessors in office, sanctioned certain increases of rates. Those increases were apparently not very well considered in respect to certain items, and complaints were made—and I am bound to say that I think those complaints in some instances were fully justified. Mr. Hayes, who had been appointed as freight traffic manager of the Intercolonial, was directed by the minister, with whom I had conference on the subject, immediately to inquire into these alleged grievances in every case, and, so far as I am informed, at present every grievance that was brought to the attention of the management of the Intercolonial railway or to the attention of the minister has been inquired into and wholly or in large measure redressed. I do not think there is in the province of Nova Scotia at the moment any very serious complaint with regard to increases of rates, upon which subject my hon. friend from Westmorland has so dilated.

He and my hon. friend from Pictou (Mr. Macdonald) have dwelt upon the iniquity of the management of the Intercolonial railway by reason of the fact that certain persons who happen to have been born

south of the boundary line between Canada and the United States, but who had been residents and citizens of this country for a great many years, are at present in the employment of the Intercolonial railway. One would think to hear these gentlemen that there was hardly any person in the employment of the Intercolonial railway who was not an American citizen. I have no personal knowledge of the subject, but I made inquiry since this debate began, and I am informed that every superintendent upon the Intercolonial railway to-day is a Canadian citizen, and, with the exception of Mr. Richardson, has been brought up and trained in the service of the Intercolonial. That does not accord very well with the picture that has been drawn by the hon. member for Westmorland and the hon. member for Pictou.

I am entirely in agreement with these gentlemen on the principle that it is a proper thing for men who have been in the service of that railway to be promoted from time to time so far as their abilities will justify and so far as their experience will warrant. I would want no other system than that upon the Intercolonial or upon any other railway in this country, and I believe that that principle will be carried out and is being carried out on the Intercolonial. But it is necessary from time to time to obtain some person with peculiar and special experience in a particular line of railway management; and I believe it is only in that connection that a few men, I do not know how many, have been brought in, either from the Canadian Pacific railway or from the Grand Trunk.

The hon. member for Westmorland has taken upon himself to say that there has been not only this indiscriminate dealing in aliens, as he calls them, but that the assistant superintendent is the brother-in-law of the general superintendent. I do not know that even if that were true it would necessitate taking up more than an hour or two of the time of Parliament in dilating on it; but, as a matter of fact, I am informed—and I sent a telegram for the purpose of inquiring about it—that there is not one word of truth in that assertion. The charge of nepotism, as it seems to be based wholly upon the fallacious illustration which the hon. gentleman brought forward, falls completely to the ground.

There has been, I daresay, some dissatisfaction with regard to the management of the Intercolonial railway, both under this Administration and under the late Administration; but I would like the hon. member for Pictou to remember that that dissatisfaction has not arisen solely in respect to officials appointed by the present Administration. If I am not absolutely mistaken, the hon. member for Pictou himself went on strike, if I may use a common expression, on account of his dissatisfaction with a gentleman appointed by the hon. member for South Renfrew (Mr. Graham) when he was minister, to a very important position on that railroad. I am very glad to observe that the hon. member for Pictou bows assent to what I have just said.

Mr. MACDONALD: I did not bow.

Mr. BORDEN: It perhaps was an involuntary bowing of the head which might under the circumstances be taken to give assent.

Mr. MACDONALD: No.

Mr. BORDEN: There has been a great deal of time taken up in discussing the purchase of coal. One would suppose that the 14,000 tons of coal, which were purchased last year by the Intercolonial railway from the United States under very special circumstances, constitute the only case in which coal was purchased for that railway. I think some 60,000 tons were purchased about 13 years ago by the late Administration.

Mr. MACDONALD: How much was it?

Mr. BORDEN: 60,000 tons.

Mr. MACDONALD: Never delivered?

Mr. REID: Oh, yes.

Mr. MACDONALD: Any coal that was purchased in the United States was purchased at the time of a strike.

Mr. BORDEN: In the first place, my hon. friend says the coal was not purchased at all, and then he says if it was purchased it was purchased during a strike. I think he is confusing two cases: one in which the hon. member for Westmorland was very anxious to have large purchases of coal made in the United States, and the other in which there were actually large purchases of coal made there.

Mr. EMMERSON: Not in my day, as I recall it.

Mr. BORDEN: Perhaps not in my hon. friend's day, but I will read documents that will convince him that he was very

anxious that there should be such purchases. In 1901, I think it was, there was a purchase of 60,000 tons of American coal by the late Government. My hon. friend from Pictou says that that was purchased by reason of a strike in one of the mines.

Mr. MACDONALD: More than one.

Mr. BORDEN: How many?

Mr. MACDONALD: A general strike, as I recollect it.

Mr. BORDEN: I do not think there was any general strike in the coal mines of Nova Scotia at that time.

Mr. MACDONALD: In different counties.

Mr. BORDEN: I speak subject to correction, but I am not aware of any conditions such as my hon. friend mentions having existed at that time, and I believe that what took place was this: A certain coal company, or perhaps more than one—I am not familiar personally with the facts—was not able to fulfil its contract with the Government, and therefore the Government purchased 60,000 tons of coal in the United States. If we are to apply the argument to which we have listened, and with which we have been edified by the hon. member for Pictou, why did not the Government procure that coal from the mines where there was no strike? I presume it may have been because those mines not having made contracts for the delivery of that coal, the Government were not in a position to call upon them. And I should think that if my hon. friend had given to this subject proper reflection, which evidently he did not give, he might have arrived at the conclusion that the same conditions brought about the purchase of the 14,000 tons of coal to which he has alluded and in contemplation of which he almost wept during the course of his speech.

Mr. MACDONALD: The general manager never asked fifteen of the nineteen companies whether they could deliver.

Mr. BORDEN: Neither did they in the case to which I refer, so far as I am aware. Does the hon. gentleman undertake to say—

Mr. MACDONALD: Better bring down the papers about that.

Mr. BORDEN: If the hon. gentleman thinks so, he should have fortified himself with the facts before he undertook to make this charge—

Mr. MACDONALD: I have all the papers in the case to which I refer. I proved what I alleged, and it cannot be controverted.

Mr. BORDEN: My hon. friend knew perfectly well in this other case the reasons which brought it about, and he might very well have reached the conclusion that precisely similar reasons brought about the purchase of a much smaller quantity of coal during the past year.

Mr. MACDONALD: I know what the circumstances were in that case, and I do not know about the other.

Mr. BORDEN: I will tell my hon. friend something about the circumstances to which he has alluded and which perhaps he does not know.

Mr. MACDONALD: Then, the papers should have been brought down.

Mr. BORDEN: The Dominion Coal Company had a contract for 100,000 tons of coal to be furnished from the Springhill mines. The quantity they should have delivered by the end of September at the average monthly rate was 50,000 tons; they had actually delivered 41,335 tons, or nearly 9,000 tons short. The Maritime Coal, Railway and Power Company was under contract to supply 120,000 tons. By the end of September they should have delivered 55,600; they had delivered only 49,850 tons. The Minudie Coal Company were under contract to deliver 130,000 tons; by the end of September they should have delivered 65,000 tons; they had delivered only 17,333 tons. The Acadia Coal Company were under contract to deliver 100,000 tons; they should have delivered by the end of September 50,000; they had actually delivered more than that—57,680 tons.

The Intercolonial Coal Mining Company was under contract to deliver 65,000 tons; their deliveries up to the end of September should have been 37,500 tons, but the actual deliveries were only 14,240 tons. It is only fair to observe that in the contract with the Minudie Company there is included 60,000 tons of run-of-mine coal. The company were under the impression that this tender had not been accepted, but Mr. Lavoie said it was—the Intercolonial railway, through their officer, was under the impression that there was that contract. Under these circumstances, as the time had passed in which the coal could be ordered from Nova Scotia to be delivered by water carriage, 13,393 long tons were ordered from the George Hall Company at $3 net ton delivered f.o.b. cars Massena Springs; duty 53

cents, freight 57½ cents, total $4.10½ per net ton delivered at Ste. Rosalie Junction. Under the circumstances, I do not know what the Intercolonial railway authorities could otherwise have done. They were able to get 17,334 tons from the Nova Scotia Steel and Coal Company at $3.95 per gross ton delivered in vessels at Princess pier near Point Lévis, and also from the Canadian Import Company, agents of the Nova Scotia Steel and Coal Company, 15,000 tons at $4.20 per gross ton f.o.b. cars at their discharging plant, Montreal. But they were obliged to get also 14,000 tons from the United States, and they did so for the reason I have mentioned and no other. Under the circumstances, I think there is ample precedent in what took place ten or twelve years ago for the purchase made last year.

Now, as I have stated, in 1900 or 1901, 60,000 tons of American coal were purchased by the late Government. This was not because there was a strike, as the statement was given to me, but because a strike among the miners in Nova Scotia was anticipated, and this quantity of American coal was laid in to prevent the railway being caught short. This coal cost $4.85 per gross ton. At that time the railway was not paying custom charges, but duty has been included to make the comparison. The hon. member for Westmorland, I am informed, was very anxious in 1907 to have extensive purchases of coal from the United States. To refresh his memory, I will read one or two telegrams furnished me by the Department of Railways and Canals, which would seem to indicate that what I have said is quite correct.

Mr. MACDONALD: There was a great strike in that year, and the Dominion Coal Company, the biggest producers in the province, were not raising coal at all.

Mr. BORDEN: My hon. friend nods his head as if he thought he had scored a great point, but I would like to say to him that I think Mr. Butler succeeded in making arrangements to get the coal elsewhere. Here is a telegram:

Cleveland, Ohio, Nov. 13, 1907.

M. J. Butler,
Deputy Minister of Railways,
Ottawa, Ont.

If coal not secured, could make good arrangements here Pittsburg run-of-mine, which would satisfactorily meet your requirements. Could you inform through rate gross ton from Cheswick on Bessemer and Lake Erie railway via International Bridge and Grand Trunk to Montreal or Ste. Rosalie? Wire early to-morrow Hollonden House here.

H. R. Emmerson.

Here is another from Mr. Butler:

Ottawa, Ont., Nov. 14, 1907.

Hon. H. R. Emmerson,
Hollanden House,
Cleveland, Ohio.

Please make best price f.o.b cars. We will figure out duty and freight and will take care of same for say 50,000 tons.

M. J. Butler.

The hon. member for Westmorland then sent this telegram:

Cleveland, Ohio, Nov. 14, 1907.

M. J. Butler,
Deputy Minister of Railways,
Ottawa, Ont.

Can arrange 50,000 tons delivered on cars Cheswick, Pennsylvania, at rate of one thirty-eight two thousand pounds. Delivery beginning first of December, finished first March. Wire me Manhattan hotel, New York, to-morrow, if you wish me act. Coal represented very best for your purposes. Could get cheaper quality. Would require special arrangement made for return of cars to International Bridge to prevent detention by Grand Trunk.

H. R. Emmerson.

Mr. EMMERSON: I was not Minister of Railways at that time; I was simply getting some information for Mr. Butler. The statement referred to the period when I was Minister of Railways, and I stated that there was no actual purchasing during that period. This relates to a later period, when the hon. member for South Renfrew was Minister of Railways. If I had been minister, it is well recognized that my views on fiscal matters as a free trader would have justified the action.

Mr. BORDEN: Let me read another telegram from Mr. Butler:

Ottawa, Ont., Nov. 15, 1907.

Hon. H. R. Emmerson,
Manhattan Hotel,
New York, U.S.A.

Have placed order with Moreland Company for twenty thousand tons at lower price and hope to get balance of requirements from Nova Scotia.

M. J. Butler.

Mr. EMMERSON: I was simply getting some information for Mr. Butler.

Mr. BORDEN: Apparently, as Minister of Railways my hon. friend thought that this coal should be purchased outside of Canada, but as a private citizen he thinks it is right to buy it in the United States. That is a rather remarkable suggestion.

Coming back for a moment to the rates which I mentioned a moment ago, I am informed by officials of the Department of Railways and Canals that although there has been this slight increase in rates upon the Intercolonial, they are lower to-day than corresponding rates on the Canadian Pacific railway, the Grand Trunk Pacific

railway, the Canadian Northern railway and the Temiskaming and Northern Ontario railway. Of course, I have no personal knowledge of that, nor, indeed, would I be competent to make a comparison of the rates, but that is the information which has been afforded by the officials of the department.

The hon. member for Westmorland endeavoured to make a very strong case against the Government in connection with an arrangement which was negotiated between Mr. Gutelius and Mr. Boswell of the Canadian Pacific railway, and my hon. friend is of the opinion that the rates are altogether too low. Is my hon. friend aware of the fact that under his own administration, in the case of wheat carried from points in Ontario to Halifax, for the 837 miles of haulage over the Intercolonial railway, the Intercolonial received only 95 cents per ton? The hon. member will see that as the distance from Halifax to St. John is a little less than one-third of the distance from Halifax to Montreal, the corresponding rate in respect of the distance from Halifax to Montreal would be $1.85 per ton. The comparison so far as flour is concerned is perhaps not so cogent. Flour from Toronto is carried to Halifax over the Intercolonial railway, and the share of the Intercolonial railway for the 837 miles of haulage from Montreal to Halifax is $1.49. Under the arrangement which has been made between the Canadian Pacific railway and the Intercolonial railway, the corresponding rate would be about $1.85. I do not pretend to have sufficient knowledge to say whether or not this is a fair rate, and with all due deference to my hon. friend the member for Westmorland, although he was for a certain period Minister of Railways and Canals, I doubt very much whether he has the expert knowledge to make the necessary comparisons and to take into consideration everything which must be taken into account in coming to a conclusion as to whether or not this is a paying rate. Officials of the Intercolonial railway who have this matter in hand say that the rate is a paying rate under the circumstances, and a fair rate. In the absence of anything better than has been suggested here to-night, I am bound to accept their conclusion, and so is the Minister of Railways and Canals. Further than that, I placed before this House on a previous occasion a comparison of this rate with rates upon grain which was hauled in 1903 and 1904 from Parry Sound to Halifax. I pointed out then in detail what I shall only allude to at the present time, that is to say, that the rate provided in the contract between Mr. Gutelius and Mr. Boswell is very much higher than the rate which the late Administration said was a fair and paying rate at that time—two or three times as high, if I remember correctly. The statement is already upon 'Hansard,' and I shall not take up the time of the House in giving it again.

Mr. EMMERSON: I do not pose as a freight rate expert, but I was pointing out from the return of the Department of Railways that it was costing the Intercolonial much more for train hauling between St. John and Halifax than they were getting. I was not presuming or assuming; I was making and basing my assertions upon the figures furnished by the department itself.

Mr. BORDEN: My hon. friend did not take into account some of the things which are contained in the agreement: the assumption of clerical work, checking, waybilling and accounting, by the Canadian Pacific railway, and, so far as I understand, the assumption by the Canadian Pacific railway of certain liability for loss and damage, as well as of certain terminal charges. There are a great many matters of that kind which must necessarily be taken into account. It is necessary also to take into account, as I understand it, the rate at which new and additional business may be profitably carried when the road is already under operation.

I am informed by the traffic expert of the Intercolonial railway that, taking all these things into consideration, the rate provided in the agreement which has been alluded to was a fair and reasonable rate.

My hon. friend has endeavoured to cast discredit upon the statements made in this House as to the surplus claimed for the operation of the Intercolonial railway last year. I understand that $300,000, or $25,000 per month, was set aside for the improvement of equipment, and that $300,000 was set aside at the end of the year for the same purpose, making a total of $600,000 taken out of the income of the road for the purpose of improving equipment and keeping it up to the proper standard. My hon. friend has endeavoured to cast discredit on that by comparing the railway statistics issued by the department but made up for a different fiscal year; they are made up for the year ending 30th of June, while the accounts of the Intercolonial railway are kept by the ordinary

fiscal year of the Government, which ends 31st of March. I do not think that any comparison instituted in that way could be a very fair or convenient comparison, and the statements given to the House by the acting minister in that respect are statements furnished to him by his officials on which he has a right to rely and upon which also the House has a right to rely in the absence of some criticism more cogent than that which the hon. member for Westmorland has been able to make against it.

He also finds fault with the standard rules. I do not know very much about these rules. I do not know in what respect they differ from the rules which have prevailed in the past on certain portions of the Intercolonial railway but the Board of Railway Commissioners for Canada has made it necessary for all railways of Canada subject to its jurisdiction to adopt these rules. My hon. friend from Westmorland says that these rules constitute a menace not only to the men employed on the Intercolonial railway but to the passengers carried on that road, at least I so understood him. It seems to me remarkable that rules adopted by all the great railways of Canada, except the Intercolonial railway, and approved by the Board of Railway Commissioners for Canada are likely to constitute a menace to the men employed on the Intercolonial railway or to the people carried over it. My hon. friend from Westmorland—

Mr. EMMERSON: My right hon. friend did not quite apprehend my statement. My complaint was that they were making the change so suddenly when other railways have taken two or three years to bring about the change gradually, not attempting to do it within so short a period, and that in doing so it was a menace and a danger to the railway and to the passenger.

Mr. BORDEN: My hon. friend would have more knowledge as to matters of that kind than I would as he has been in charge of the Railway Department; but, with deference to what he has said, my information is that roads have sometimes adopted these rules within a shorter period than that provided in the case of the Intercolonial railway. Certainly there is no desire to act oppressively towards these men or to have the rules adopted in too short a time. I am not aware of the terms on which these rules are to be adopted, but I am sure that the time provided is ample and I cannot understand what motive could induce those who are managing the Intercolonial railway to seek to adopt these rules within too short a period. If there is any error in that respect it is an error of judgment and not of intention most assuredly, and I still deny that there is any such danger as my hon. friend suggests.

Returning to the question of promotion upon the Intercolonial, as I said, I am heartily in sympathy with the idea of men working up in the service as their experience and ability will entitle them to work up and I know that the Minister of Railways and Canals has that idea in mind also, and wishes to carry it out. He wishes to carry it out apart from any party political consideration. I know that that is his thought; but as a matter of fact for many years now past we have had this experience upon the Intercolonial railway. We found men leaving the Intercolonial railway and going into the service of other railways, either in Canada or the United States, and obtaining very high positions. I remember Mr. Pottinger, whose management of the Intercolonial has been referred to in terms of praise to-night—and in those terms I entirely concur—I remember that within the last two years Mr. Pottinger made out for me a memorandum of twelve or fifteen men who had entered railway service on the Intercolonial railway during the period when he was general manager, who had left the service under one Government or the other and had attained splendid positions in the United States or in Canada. That does sometimes happen, and I for one am very sorry that the Intercolonial should lose such men. I would like to have the services of these men retained for the Intercolonial railway and I hope and, more than that, I am absolutely confident that the Minister of Railways and Canals will adopt no other policy or principle in his management of the Intercolonial of Canada. It is a right principle, it is a proper principle that there should be promotion according to ability and experience and that men who have the capacity to hold high positions in the service of any railway, should in the service of the Intercolonial be promoted as their ability and their experience would justify. If any departure from a policy of that kind should be entered upon, as far as the Intercolonial railway is concerned, I for one would be disposed to enter my strongest caveat against it, because the principle which has been spoken of in that regard by the hon. member for Westmorland and the hon. mem-

ber for Pictou is an absolutely sound and correct principle in which I thoroughly concur.

Something has been said about branch lines, and if I am not mistaken my hon. friend the member for Pictou has challenged me to make some observations upon this question. Otherwise I would not refer to it as my views with regard to it have been expressed on more than one occasion. The hon. member for Pictou says that if at any time we desire to acquire a branch line for the Intercolonial railway in any part of the country upon any terms whatever, we can do it, we can come in here and be absolutely sure that the proposal of the Government will receive the sanction not only of this House but of the Senate. I am very glad to have the assurance of the hon. member for Pictou in that regard although it goes a little farther than I would really desire because I would hardly expect that a proposal of any kind that we might bring in here for the acquisition of a branch line of railway in any part of Canada would necessarily receive the support of one or other branch of the legislature. What happened last year is well understood, although the hon. member for Westmorland sought to minimize it. I did declare in the election of 1911 that I was in favour of a general policy of acquiring branch lines for the Intercolonial, and for very good reasons as it seemed to me, because a great trunk line must necessarily have feeders and even if those feeders are not profitable at the very first they usually become profitable in a very few years. A road cannot exist without local traffic, and local traffic can only be gathered up in a large way by means of these feeders. We brought in last session a Bill in the form of a resolution empowering the Minister of Railways and Canals to make contracts for the purchase or sale of branch lines, and it was in terms so wide that when I discussed the subject with the Minister of Railways after it had been debated in committee I frankly told him that I thought his resolution was too wide and conferred too much power upon him, and I myself drafted a resolution in very much narrower terms which I brought into the House, handed to my hon. friends opposite and asked them if they desired to take time to consider it. They looked over it and said that they did not desire delay and that they thoroughly approved of it. It passed the House unanimously and the Minister of Railways and Canals introduced the Bill. The hon. member for Westmorland had criticised the first resolution but he did not criticise the second. When the Bill was introduced he raised the question as to whether or not the lines which the minister might construct, should exceed ten miles in length. We were prepared to cut the figures down from twenty-five to twenty miles, but the hon. member for North Cape Breton and Victoria (Mr. McKenzie) entered a strong protest against it being cut down at all. My hon. friend from Westmorland did not seem to have any support, so it went through in that way. It went to the Senate, and some hon. gentlemen opposite have stated in the course of this debate that the Bill came back from the Senate in a workable form. I say it came back from the Senate meaning absolutely nothing. It simply said that we could do what every hon. gentleman on the opposite side of the House has said we can do without any Bill. It provided that the Minister of Railways might make a contract and bring it to Parliament for ratification; but he can do that, as has been urged by hon. gentlemen opposite, without any Bill. Therefore, the Bill as amended by the Senate meant absolutely nothing, because it conferred no greater powers on the Minister of Railways than those which, according to the statements of hon. gentlemen opposite, he possesses at the present time. I expected that the hon. gentlemen on the other side of the House who had unanimously concurred in this Bill would stand strongly in support of the Bill which had passed this House without one dissenting voice, and therefore, with some confidence I rose in my place and said: 'We cannot agree to the amendments of the Senate, because they have absolutely emasculated the Bill and made it meaningless and useless.' To my astonishment the very gentlemen on the other side of the House who had concurred in the terms of the resolution which I had drafted as embodied in the Bill, stood up and voted that they were absolutely wrong on the previous occasion. Now, this story is not out of comic opera; it is a sober and accurate statement of what actually took place in this Parliament last session.

Mr. GRAHAM: My right hon. friend edited the article. It is not really what occurred.

Mr. BORDEN: In what respect is it not?

Mr. GRAHAM: I will tell my right hon. friend in a few moments.

Mr. BORDEN: I say it is absolutely what occurred, and, further than that, I say that when I made the statement in this

House as to what had occurred with regard to the resolution upon which the Bill was founded, my hon. friend (Mr. Graham) stood up in the House and stated that my account of what had taken place was absolutely correct—and his words can be quoted from 'Hansard' to that effect. If I have mis-stated anything in that regard, I have done so inadvertently. I have endeavoured to give an absolutely accurate statement of what took place. I say in the first place that the resolution which I substituted for that of Mr. Cochrane was approved by gentlemen opposite when I submitted it; and I say further that I offered to give them time for further consideration, but they said they did not want it. The resolution as orginally proposed was then withdrawn, and Mr. Cochrane substituted therefor the resolution which I had submitted to my right hon. friend. That resolution went through the committee without a dissenting voice, and the Bill founded upon it went through this House without a dissenting voice, and when the amendments came back from the Senate—unless I am very much mistaken—hon. gentlemen opposite stood up and voted in support of those amendments.

Mr. EMMERSON: I do not think that is correct.

Mr. BORDEN: I thought there was a vote on it; I am not absolutely sure.

Mr. GRAHAM: I do not think there was.

Mr. BORDEN: I will not contradict my hon. friend in that regard, because I have not a clear recollection, but at all events that is the history of what took place on that occasion. So far as branch lines are concerned, we are absolutely of the same opinion as we have always been. We think that a number of branch lines ought to be acquired if they can be purchased or leased on reasonable terms. We are desirous of going on with that policy, and hope to carry it out in one way or another in the early future.

So far as the general condition of the Intercolonial is concerned, I am sure that the description which my hon. friend has given of the service upon that road is one which he can hardly be prepared to endorse upon a little reflection. He said that the passenger service and the freight service have deteriorated; that the roadbed has not been kept up to the proper standard. For my part, I have had no knowledge or intimation that such is the case except that which I have derived from my hon friend the member for Westmorland. I know it is the desire of the Minister of Railways and Canals to keep that road up to the highest possible standard, and to give the best possible service to the people of Canada, especially the people of Quebec and the Maritime provinces. My hon. friend from Westmorland and other members of this House will remember that the efforts of the Minister of Railways and Canals in that regard have received marked and unusual commendation from some of their own political friends in the Maritime provinces.

I am sorry that some reflections have been made on the Minister of Railways and Canals while he is not here in person to answer them. I find no fault with any criticism of him or of his administration, because, although he is necessarily absent, members of this House have a perfect right to criticise him as a member of the Government. I am sure, however, that notwithstanding any such criticism, hon. gentlemen on the other side of the House as well as hon. gentlemen on this side realize that it is the desire and purpose of the Minister of Railways and Canals to make the Intercolonial railway worthy of the people of Canada, and by means of that railway to give the best possible service to the people of this country.

Hon. GEORGE P. GRAHAM: The right hon. the Prime Minister has invited me into this discussion. Being somewhat polite I do not like to decline the invitation. I had not intended taking any part in this discussion, as I thought the members from the Maritime provinces were fully competent to discuss the Intercolonial railway in all its phases. My right hon. friend, a moment ago, took exception to my statement that he was editing some of the proceedings of the House. I meant by that, that he was rather revising the record and putting it in a way which was not warranted by the record itself. He intimated that we were performing an act of comic opera in that members of the House stood up and said they were all wrong in their previous attitude on the resolution in regard to branch lines. The Prime Minister was wrong himself, in my judgment. I think there was no vote taken in that case. There very seldom is in such a case, unless it is forced to a vote, but the Government would not acquiesce in the amendments by the Senate.

Even if there had been a vote my hon. friend would hardly be justified. Bill after Bill comes back from the Senate amended, and these amendments are agreed to by this House, although the House has unanimously passed another kind of Bill altogether. Cases identical to the one referred to by my right hon. friend occur here every day and no person is accused of any inconsistency. We take the Bill with its amendments sooner than have no Bill at all. If that change had been adopted it would have meant that this House is in favour of branch lines with this amendment while the other side declared itself unfavourable to a Branch Line Bill, unless it could have its own scheme. My right hon. friend supported the amendment to the Bank Act, altering the Bank Act materially, and I would not charge that in voting that way he resembled comic opera because the Bank Act did not go through as he voted it should go through. These things occur every day, and there is no criticism to be directed at either side of the House or any member in it for saying: We will accept the amendment of the Senate. We do it every day, that is if a Bill is amended we accept it sooner than have no Bill at all. In the history which my hon. friend gave of the Branch Lines Bill his reference except this departure from the record was absolutely correct. In the first place, his Minister of Railways introduced a resolution that he himself said was a bad resolution I am not speaking from comic opera; it actually occurred. His own Minister of Railways, after full consideration, no doubt, in Council brought in a Bill which was all wrong and which he could not agree to himself. I am not quoting from comic opera; I am quoting from what the Prime Minister told us. This resolution as brought in by the Government, would have allowed the Minister of Railways and Canals to have taken over the Canadian Pacific railway without coming to this House, and after a good deal of argument the Prime Minister was convinced that the resolution should be withdrawn, and he prepared another one himself. He submitted the one which he had prepared to myself, my hon. friend from Westmorland (Mr. Emmerson) and others. After conferring with my right hon. friend I said: These are powers never before given to a minister, but I am prepared to go that far so that there may be no obstacle in the way of this Government implementing the promise of its leader and taking over the branch lines. Under the Bill founded on that resolution we gave greater powers than were ever given to any minister.

Mr. EMMERSON: Never before given.

Mr. GRAHAM: Never given to any minister. The Senate said we went too far, and when the Bill came back with an amendment that the Government should be responsible to Parliament and that the business should not be done by Order in Council, we said: We will take the Bill as it has been amended, but hon. gentlemen opposite said: We will have the Bill passed or nothing. At bottom I do not believe the Minister of Railways wants to take over the branch lines. When I first brought in a Bill for the acquisition of branch lines, I was met with constant and persistent opposition, not by the then leader of the Opposition, but by men sitting behind him from the province of Ontario. My right hon. friend did not help me to get this Bill through at all, but it was clipped in all its features at the demand of members of the then Opposition.

Mr. BORDEN: Was it not the Senate that clipped it?

Mr. GRAHAM: No, the Senate did not do the clipping at that time. It was the members behind my right hon. friend who did the clipping.

Mr. BORDEN: I am speaking seriously; did not the Bill come back from the Senate with a very important amendment, and were not some amendments accepted?

Mr. GRAHAM: That was another Bill. I am referring to the first Bill that I introduced. I think that my hon. friend has reference to the second Bill that I introduced. I accepted amendment after amendment made by hon. members of the then Opposition. One of them was that no road should be taken over unless it was in the interests of the Intercolonial railway, which was a departure from the idea in my mind. I accepted a number of amendments in order to get the Bill through. The then leader of the Opposition put this question to me: Does my hon. friend mean to say that he has not power now to take over branch lines if he so desires without this Bill? My reply was that the Government did have that power with the sanction of Parliament, but that I was very anxious to get the Parliament of Canada committed to the principle of taking over branch lines, and I was therefore willing

11 p.m.

to accept even the remnant of an Act to put it through and secure the recognition of that principle. That principle is on the statute books to-day, and this Government can take over any branch lines in Nova Scotia, New Brunswick, Quebec or anywhere else, bring the bargain to Parliament and have it ratified. There is no law on the statute book to hinder them. But my hon. friend spoke strongly about branch lines, and he said that he was in favour of the policy of taking over these branch lines. I would remind my hon. friend that a contract for a branch line in Nova Scotia was cancelled by this Government when they came into power. It had nothing to do with the leasing of branch lines, but it was for the building of a new branch line that a contract had been let, and this Government cancelled it to show how much they were in favour of taking over the branch lines in the Maritime provinces or in the province of Quebec.

Now, I desire to say just a word upon the question of the employment of American engineers. No person can accuse me of being narrow as to the employment of able and efficient men, no matter where we get them, to do our business, always bearing in mind that the preference must be given to British subjects and Canadians. My right hon. friend cannot object to what I am about to say, because he used the tu quoque argument to-night; and the acting Minister of Railways and Canals will also remember what I am about to say, because he spoke as loudly as I ever do on this question once or twice. Great objection was taken, when the Transcontinental railway construction first began, and while it was proceeding, by the then Opposition, including the present acting Minister of Railways and Canals, to the employment of certain engineers on that work. What was the argument used? They were told that the company had engaged these foreign experts for this work, but the reply of these hon. gentlemen was that this was the money of the people of the Dominion of Canada, and that the taxpayers ought to have returned to them through their engineers every dollar, as far as possible, of the money taken from them in the form of taxes for this great project. They pointed to the number of engineers turned out at Queen's University, Toronto University and McGill. The chief features are all fresh in my mind, because I was running a newspaper at that time and I had to discuss these questions every day. So strongly did these hon. gentlemen argue their case that a commission was appointed to find out how many of these American engineers had been engaged upon this work, and to find a remedy for the situation. These same gentlemen, who argued so strongly that the Government did wrongly a few years ago, say it is all right now to engage American engineers to work upon a Government road constructed and operated with the taxes of the people. That is as much a comic opera situation as the position of hon. gentlemen opposite on the branch lines question. I am not saying that the Government are wrong with reference to the Intercolonial railway. That has been argued by hon. gentlemen on this side of the House. But I am saying that the Government are absolutely inconsistent as between the position which they have taken with regard to the Intercolonial railway and the position which they took a few years ago with regard to the engagement of American engineers to work on the Transcontinental railway. On the question of a commission for the Intercolonial railway, the right hon. gentleman referred the hon. member for Pictou to me as a standard authority. When I was Minister of Railways a board was appointed for the management of the Intercolonial railway, and some members on both sides took exception to it. It was an experiment but it was based on the practice of one or two of the most successful American railways, on which the heads of the different departments, together with the manager, formed a board, the members of which, after consultation with each other, laid down the policy of the road. The Prime Minister, then leader of the Opposition, took me to task for the appointment of this board and he announced, as a better policy, that there should be a commission appointed which would be responsible, in the same way as the Auditor General, not to the Government of the day but to the authority of Parliament. On that policy the right hon. gentleman went to the country. The board appointed when I was minister was responsible to the minister, and I say now that I do not care how many general managers are appointed, or what authority is given the general manager, or how long a contract is made with him, the Minister of Railways and through him the Government of Canada will be held responsible by the people for the management of the people's road. When the right hon. gentleman came to power, instead of carrying out his idea

of a commission, he reverted to a general manager, a course which was distinctly contrary to the policy he announced to the people of the Maritime provinces. Hence some of the irritation about the Intercolonial. I do not intend to criticise the management of the Intercolonial to-night; others have done that. It is not an easy thing to manage, but I do say, and every Government that has been in power in Canada and every Government that will be in power in Canada will find it to be true, that the patrons of the Intercolonial railway cannot be treated as the patrons of a company railway. The Intercolonial had its origin in a different way from an ordinary company road. The ordinary company railway is constructed to make money for the shareholders, but the Intercolonial was not constructed to make money for anybody. It was constructed to bring the people of the Maritime provinces into closer touch with the trade centres of Canada; it was built because the people of the Maritime provinces were taken by Confederation away from their natural markets across the line.

I want to take a little credit to myself during the last few years, for changing the views of the people of Ontario in regard to the Intercolonial. Go where you will to-day in Ontario you cannot find any prejudice against the Intercolonial, and you will find very few, if any, who want the Intercolonial run for the purpose of making money. It is recognized that the people of Ontario do a great deal of business with the people of the Maritime provinces, and they get the benefit of any cheap rates that may be on the Intercolonial just as well as do the people in the East. I say seriously, that the people of the East are just as much entitled to have the Intercolonial run independent of a profit, so long as it pays its way, as the people of Canada are to have the canal system operated in the same way. In consequence of the peculiar conditions surrounding the Intercolonial, when an official is taken from a big company to manage it, he wants to make a record for himself in showing that the Intercolonial is a great money-making institution. My right hon. friend has referred to the fact that I appointed a gentleman to the Intercolonial whose conduct was criticised a good deal; I admit that, and no person knows it better than I do. But during the past year or two any criticism of Mr. Brady has faded into the utmost insignificance as compared with the criticism of Mr. Gutelius. Mr Brady is gentle as a sucking-dove, so the Maritime province people seem to think, compared with Mr. Gutelius. Let me put it bluntly: you cannot run the Intercolonial railway with a club, and you cannot deal with the people along the Intercolonial railway with a club. They have been accustomed, and rightly so, through many years of the management of the Intercolonial railway to being consulted in the details of their business and in everything appertaining to the line, and a man with some tact can continue to do that on the Intercolonial and still approximate business methods. But if the official has no tact, if he goes in just with the idea that he is running a big company road, and says to the patrons if you do not like this I will hit you on the head, and says to the employees: if you do not want to work for the Intercolonial at this rate of pay I can get plenty of men to take your place, he will always make a failure of it no matter how laudable his object may be.

A word as to the system of book-keeping on the Intercolonial railway. One difficulty of the Intercolonial railway has always been (and it has always placed the Intercolonial railway at a disadvantage with other roads), that it has to publish the details of its business more completely than any company in the world would think of doing, and thus, under our system and the Auditor General's Report, the whole of its business is open to the inspection of its competitors. Another disadvantage the Intercolonial laboured under was that up to a few years ago every dollar of its revenue had to be handed over to the Consolidated Revenue Fund, and then it had to get a vote from Parliament every year to get its own money back again. Under this system, although the Intercolonial railway would earn enough money over expenditure to pay for betterments, that money could not be used without an annual vote from this Parliament. Some years ago a simple system was started by which each month a certain sum was set aside, and at the end of the year if there was enough in the fund a vote was made by Parliament to transfer the balance to the renewal equipment fund. Then there were certain replacements of rails necessary—the renewal equipment account referred to rolling stock and motive power—and I found, as my predecessor had, that every year there was a good deal of discussion about certain new rails bought to replace old ones, and I suggested that we should also have a rail renewal account

and each month there was set aside a certain sum of money for this rail renewal account. Then there were certain losses every year by the burning of freight sheds, and necessary replacements on account of small fires, and there was set aside a certain amount each year for fire protection work. That was the custom when I was in the department and I think it is the custom still, and these amounts are recognized as part of the expenditure of the Intercolonial railway, and until they are set aside each year there cannot be any surplus. I believe this is being carried out at the present time. I suppose it is the same now as it was then. And I say fearlessly, and after having investigated the matter thoroughly—for the hon. member for North Toronto and I had several tilts over this question,—that when I left the department, the Intercolonial railway was spending more money out of revenue for betterments—more by thousands of dollars—than the Interstate Commerce Commission would allow a company under their jurisdiction to spend without charging it to capital.

Mr. BORDEN: Out of income?

Mr. GRAHAM: I say that the Intercolonial railway at that time spent thousands every year out of income and for betterments that the Interstate Commerce Commission would compel any company under their jurisdiction to spend on capital account. This they would do in order to protect the shareholders. It would be saying to the railway in effect: You owe that money to your shareholders in dividends and not in betterments. There is a distinct line of demarcation drawn between capital expenditures and revenue expenditures, and the Intercolonial railway, so far as my knowledge goes, exceeds the limit of what is ordinarily spent out of revenue. I think it is better that it should be in that condition than the other way.

Now, I have one word to say about branch lines in connection with the Intercolonial railway. I wish to make it clear, and I think that in what I say, I voice the opinion of practically every man in Ontario. We want the Intercolonial railway line kept up to a high state of efficiency and we want it to serve the people well, and we do not want a cent of profit out of it. We are prepared to bear our share of the expenditure to acquire branch lines, not merely where they can pay but where the people require these transportation facilities wherever it will help to make these people more contented we are prepared to pay our share of taxation to give them such facilities as we enjoy, whether it pays the Intercolonial railway or not.

Hon. J. D. HAZEN (Minister of Marine and Fisheries): The hon. member for Westmorland (Mr. Emmerson) has asked this House to say that the Government is deserving of censure in connection with the management of the Intercolonial railway for two reasons—first, because the methods of the present management are oppressive and unfair to employees and the public; and second, because the methods of the present management are detrimental to the interests of the country and of the railway. I have listened to every word of the speech of my hon. friend, as well as to every word of the speech of the hon. member for Pictou (Mr. Macdonald) and of the speech of the hon. member for South Renfrew (Mr. Graham), and while it may be said that I am not an unprejudiced judge as to what the hon. gentleman said, yet I submit in all candor and fairness to this House, that the hon. gentlemen have not laid before the House facts that would make out a case in support of the position taken in the resolution.

Now, the hon. member for Westmorland dealt very largely in generalities. But where he came down, as he did in one or two instances, to give concrete examples in support of his position, it became clearly evident that he has been willing to listen to every rumour, to every word of gossip circulated regarding the officials of the Intercolonial railway and has not taken the pains to investigate for himself, an investigation which I think the gravity of the subject would deserve, and which he should have taken before asking that the Government be censured for the acts of these officials. Early in his remarks he told the House—I think I quote him correctly—that nepotism was rampant in the affairs of the Intercolonial railway. The only instance he gave of 'nepotism' was that Mr. Brady had appointed a gentleman named Richardson, who was his brother-in-law, to take the place of Mr. Hallisey, a trusted official of the Intercolonial railway. It appears now from the statement made by the Prime Minister that there was no justification for the allegation—that Mr. Richardson is neither the brother-in-law nor any other relation of Mr. Brady, and that he is only temporarily taking Mr. Hallisey's place, and that as soon as Mr. Hallisey recovers from the illness from

which he is suffering, which we hope will be in a very short time, he will return to the position which he has filled so long and so acceptably, and Mr. Richardson will cease to fill that position.

In his opening remarks, the hon. member referred to the branch line policy of the Intercolonial railway. In the Maritime provinces, and among those who have studied the question whether they live in the Maritime provinces or not, there is a practical consensus of opinion in favour of the Government of Canada purchasing or acquiring by some means the branch lines of railways and running them as part of the Intercolonial Railway system. The belief is that not only would such a policy be much to the advantage of the country through which these branch lines run, but in the interest of the Intercolonial railway itself, giving it important feeders. And these branch lines operated from the head office, it is believed, would be operated more in the public interest and with greater economy than it is possible to manage them as separate units each under its own company and having no harmonious management in the interest of all. Therefore this feeling strongly exists, and the hon. gentleman knowing that it exists, takes the opportunity to try to create feeling against the administration of the Railway Department by complaining that steps have not been taken for the acquisition of these branch lines. Now, I am not resorting to the tu quoque argument, but it would be interesting to ask what the hon. gentleman did to acquire branch lines when he was Minister of Railways and a supporter of the Government of the day. I think I am correct in saying that the hon. gentleman became a member of Parliament in 1900. Subsequently he became Minister of Railways. As he has been fourteen years a member of the House, and for a part of that time Minister of Railways, I think I am justified in asking what he did when supporting the Government in power or when he was himself a member of that Government to bring about the acquisition of branch lines which he condemns the Minister of Railways for not acquiring. It is true, he acquired the Canada Eastern from Fredericton to Chatham and Loggieville, a distance of about 112 miles for $800,000, or about $7,000 a mile.

Mr. EMMERSON: It is 136 miles.

Mr. HAZEN: It may be that including sidings and branches, but I think the main line is 112 miles from Fredericton to Chatham. But was his Government entirely moved by the public interest in acquiring that road? At that time there was a gentleman in this House representing the county of York, Mr. Alexander Gibson, jr., who was an active supporter of my hon. friend. Mr. Gibson's father was very largely interested in the Canada Eastern railway and his financial position at that time, made it desirable, if not necessary that he part with the control of that road. Therefore, every step was taken to induce the Government to acquire that road from Mr. Gibson. The Government did acquire it, and then their zeal for the acquirement of branch lines seemed to disappear and for the remainder of their term of office they took no practical other step to acquire branch lines though there were some which might have been as important feeders to the Intercolonial railway as the Canada Eastern. Perhaps if there had been other constituencies in New Brunswick represented by hon. gentlemen who were interested in these branch lines to the same extent as the hon. member for York was at that time, there might have been further acquisition of such lines, but nothing of the sort occurred; no further branch lines were acquired by hon. gentlemen opposite.

The hon. gentleman condemns the present Administration, which has been in power for less than three years, for not having acquired the branch lines; for not having done in two years and a half what my hon. friend failed to do during the time he was Minister of Railways and what his party failed to do during the fifteen years that they were in power, from 1896 to 1911. I submit to you, Mr. Speaker, and to the judgment of this House, that the criticism levelled at my hon. friend and leader for not having accomplished something in this direction is not well directed and not well supported by the facts. In the session of 1912, only about a year and a half after this Government came into power, the Minister of Railways and Canals introduced a Bill to facilitate the taking over of these branch lines. Something has been said to-night with regard to the action of this House and the action of the Senate in respect to that Bill. As there seems to be some difference of opinion in the minds of hon. gentlemen who have spoken on this resolution this evening, I will take this opportunity, though I do not wish to trespass long upon the time of this House, to refer to the report in 'Hansard' of what actually did take place. On April 30, 1913, the hon. Minister of Railways and Canals introduced a resolution in the House, as follows:

That it is expedient to provide that the Minister of Railways may, subject to the authority of the Governor in Council, construct, purchase, lease, or otherwise acquire, in whole or in part any railway, railway bridge, railway station, railway terminal, railway ferry, or other railway work, and that any such railway or other work shall become part of the Government railway system.

That resolution was discussed at some length. Permit me to say in passing that I think my hon. friend, as well as other hon. gentlemen on the other side, did the Minister of Railways and Canals an injustice—unintentionally, no doubt—when they made the assertion that the minister was opposed to the acquisition of these branch lines. When this resolution was introduced, the hon. member for Westmorland said:

I do not think that my hon. friend (Mr. Cochrane), in this instance is frank with the country in regard to it.

The following discussion then took place:

Mr. Borden: He is decidedly frank.

Mr. Emmerson: He may be frank, but not candid. He has, in remarks which he has uttered in this House, given us to understand that he does not want to acquire any branch lines that he does not think it in the interest of the Intercolonial that they should be so acquired.

Mr. Cochrane: I do not think I was as frank as that.

Mr. Emmerson: Well, I so understood my hon. friend. Does my hon. friend repudiate that insinuation?

Mr. Cochrane: I repudiate the broad statement that was made. I said that I did not want to acquire some of the branch lines.

Mr. Emmerson: Well then, my hon. friend wants to acquire some of them?

Mr. Cochrane: Yes.

This extract which I have read from 'Hansard' shows that the contention of my hon. friend the member for Westmorland and other hon. gentlemen, who say that the Minister of Railways and Canals was opposed to acquiring branch lines, is unjustifiable. After a considerable discussion the resolution as introduced by the hon. Minister of Railways and Canals was withdrawn and another substituted in its place. This resolution, which may be found on page 8874 of 'Hansard' of the year 1913, met with the unanimous approval of the members of this House. There was no division; not a single member criticised the resolution in any way whatever. On May 12 the Minister of Railways and Canals moved in the House the second reading of the Bill to amend the Railway Act, and the House went into committee thereon. This Bill was criticised a little on the ground that the Government should not be allowed to build 25 miles of railway under the provisions of this Act without first coming to Parliament for authority to do so. The contention was made that it should be reduced to 20 miles, and at that point the hon. member for North Cape Breton (Mr. McKenzie) interposed in the following emphatic language:

This idea of 25 miles strikes me with great significance, and I would not like to see it cut down at all. It fits in splendidly for the county of Victoria. I had an idea that the minister had that section particularly in his mind.

After this remark on the part of the hon. member for North Cape Breton, all opposition vanished, and the Bill was agreed to without a dissenting voice, and was sent to the Senate for consideration. Although unanimously agreed to in this House, when the Bill went to the Senate it was emasculated and its purposes entirely destroyed. Under the Bill as it came back from the Senate, no power was given to the Government other than they would possess without the passage of the Bill at all. When the Bill came back to the House the Minister of Railways moved that the Senate amendment should not be concurred in, giving the reasons therefor. A discussion ensued, and I would commend to hon. gentlemen who say that the amendment made by the Senate was harmless and that it did not affect the Bill in any way, the remarks of the hon. member for the city of St. John (Mr. Pugsley), who discussed the matter on that occasion. By his remarks he showed that he regarded the amendments made by the Senate as being very important and as very considerably affecting the Bill. He said:

It seems to me that there is not very much in issue. The amendment, as I understand it, is that such lease or contract of purchase shall be laid before Parliament for ratification. The Senate has omitted one of the most important features of the Bill; that is, the entering into a contract to build 25 miles of new road.

There we have the hon. member for the city of St. John saying that the Senate has omitted one of the most important features contained in the Bill. He goes on to suggest that there should be a conference between the House and the Senate with a view to coming to a compromise. He said:

The minister might be authorized to lease a feeder of the Intercolonial without the authority of Parliament. That is, if in any case, the minister might think it in the public interest to acquire the absolute right to the railway, he might put in the lease a provision that the minister, with the approval of Parliament, might purchase the road at a price which should be named in the lease, within a certain period of time which would be specified.

The hon. member for the city of St. John takes distinct issue with the statements made here to-night by hon. gentlemen to the effect that the amendments made by the Senate were colourless and did not affect the Bill. He points out that they omitted one of the most important features of the Bill, and suggests a compromise in order that some arrangement should be effected.

Mr. EMMERSON: What was the answer of the Prime Minister to that suggestion?

Mr. HAZEN: The Prime Minister said:

> Mr. Borden: I think it would be necessary to send an answer to the Senate, and I doubt very much whether a formal conference could be held at this stage of the session, which would accomplish any good result. I think the Minister of Railways would be perfectly willing to hold an informal conference, which would answer the purpose, and some hon. gentlemen of the Senate might be appointed.
>
> Mr. Graham: That could be done informally to-night.
>
> Sir Wilfrid Laurier: The matter can stand.
>
> Mr. Cochrane: If you want a conference, should not the motion pass so that the Bill may go back to the Senate, and if they want a conference, I would be very glad to meet them.

In that discussion the Prime Minister stated the facts accurately as he has stated them to the House to-night, that he drafted this resolution which was substituted for the one originally introduced, that he sent it over to the member for St. John and the member for South Renfrew, that he discussed it with them, that it was unanimously accepted by them, and that amendment went through—

> —without a single word of objection and with the absolute assent of hon. gentlemen on the other side, after I had privately discussed it with the hon. gentlemen whom I have mentioned and others, and when some question was raised about reducing the twenty-five miles to twenty, the hon. member for North Cape Breton (Mr. McKenzie), insisted that it should remain exactly as it was, because he hoped to have a branch constructed in his own county.

In that the member for St. John and the member for South Renfrew agreed, and their words are on 'Hansard,' that that is an accurate account of what took place. During the debate I asked the hon. member for Westmorland if he did not say he did not think the Bill went far enough. The hon. gentleman stated that he did not recollect that he said anything of the sort. My question was based on my recollection of these words, which I find in the speech of the hon. member for Westmorland on June 5, referring to the fact that he was anxious for the legislation to go through:

> I was equally anxious because I have to acknowledge that I have taken a very deep and sincere interest in this policy. I would like to see it carried out and I would even give great powers to the Minister of Railways in respect to the matter. I do not know but that I would go so far as to permit him to legislate on the matter, although I do not think his sympathies are quite as strong on behalf of the policy as I would like them to be. I think he has doubts and I do not think that he recognizes the branch lines as feeders, because he said on the floor of this House that they are milkers and not feeders. I certainly think it would be very desirable that an understanding should be had with the Senate. We must all be desirous of seeing this policy put into execution and of seeing these lines acquired. I do not think there is such a case of urgency with respect to the construction of branch lines because parliament is sitting long enough to enable any legislation to be put through to construct the railways. I would strongly urge that there be a conference and that some united action be taken in regard to the matter.

He also advocated giving the Minister the power of expropriating the branch lines. What was the purpose of my hon. friend in urging that there should be a conference and that some united action should be taken in the matter, if his opinion then was as he expressed it to-night, that the Senate had not interfered with this Bill and that the Senate amendments were of a harmless character? It is perfectly clear that the gentlemen interested in the passage of this Bill, the hon. member for Westmorland and the hon. member for St. John, fully agreed with the position taken by the Minister of Railways and the Prime Minister that the amendments made by the Senate were not only vexatious but were absolutely striking at the foundation of the Bill, and that they did not take the view put forward in this House to-night that the amendments were simple and innocent in their character and that the Bill as it came from the Senate was all that the Government would require. I desire the fact to go out to this country that it was the interference with this Bill by the friends of hon. gentlemen opposite in the Senate of this country that has prevented the Government up to the present time from taking effective measures to acquire branch line railways, and that if it had not been for the emasculation of that Bill in the Senate arrangements would have been made by which branch lines of the Intercolonial railway would have been taken over and acquired by the Intercolonial, not only in the province of New Brunswick but in every other province

through which the Intercolonial railway runs.

My hon. friend, as an instance of the way in which public interests are being neglected under the present Intercolonial management, referred to the Ocean Limited. The facts in connection with the Ocean Limited are these, that until 1913 this train never ran during the months of February and March. In 1913 the Minister of Railways and Canals made the experiment of running the Ocean Limited during those months, and the result of that experiment was a loss to this country of several hundred thousand dollars, and it was demonstrated that running the train during those months, when the travel was light and there was no tourist traffic, was not in the fiscal interest or other interest of the country. Consequently, in 1914, the Railway Department very properly as I submit, returned to the policy of not running the Ocean Limited during February and March. Why should they run that train during February and March when their experiment in 1913, when there was more railway traffic generally and more travel in the country than in 1914, had demonstrated that it could only be run at a tremendous loss to the Canadian taxpayer? It seems to me that instead of being condemned for not running the Ocean Limited during February and March in 1914, the Minister of Railways and the Railway Department, in view of their experiment in 1913, would have deserved condemnation if they had continued to run the Ocean Limited during February and March, 1914. No interest has suffered by their not doing so, and no condemnation will be made in this country of the Railway Department for their course in that respect, when the facts are known and the case is fairly placed before the people for consideration.

My hon. friend also says that there has been an increase in freight rates on the Intercolonial, and that there has been dissatisfaction in consequence. I am not prepared to dispute that statement, but a little glimpse into the past history of the Intercolonial railway will show that there has been dissatisfaction during every period of transition in regard to the management of that railway. Gentlemen within the sound of my voice to-night will remember that previous to 1896 the management of the Intercolonial railway was a frequent subject of attack, and that after the Liberal party came into power in that year and Mr. Blair became Minister of Railways the statement was heralded all over this country that business methods were going to prevail in the management of that road, that there would be an entire change in the system of management resulting in large surpluses and better results generally. After the Liberals had been in power for a short time they started upon this system of business management, and they pushed to one side Mr. Pottinger, who had been so long general manager. Mr. Blair sent down to manage that road a gentleman by the name of Harris then, and now, occupying a position of importance with the Canadian Pacific Railway Company. What was the result? The rates were put up far higher than the ratio of increase which occurred after the change of Government in 1911. My hon. friend from Pictou (Mr. Macdonald) quoted from a newspaper published in the town of Truro to the effect that the Governmen were in danger of losing all their seats in the counties through which the Intercolonial runs. There may be gentlemen opposite who will remember that after Mr. Harris had been in charge of the Intercolonial, and after the Government had started on their plan of business management of that road, a gentleman who represented the constituency now represented by my hon. friend from Guysborough, and who was afterwards Lieutenant-Governor of Nova Scotia, came back to this Parliament and made the announcement that if that management continued on the Intercolonial the Government would not carry a seat within fifty miles of that road. In any period of transition there is bound to be trouble. There are always people who will feel aggrieved when changes take place from any one system to any other; and therefore with the changes that have taken place in regard to the Intercolonial in recent years, with the appointing of a general manager instead of a board of control, it is not at all extraordinary that there should have been grievances among the patrons of the road in different parts of the Maritime provinces, who were not at all favourable to the changes that took place. The rate increases took place possibly without the consideration required, but I am here prepared to state that those increases made under the Order in Council passed by the previous Government—not by this Government—were small compared with the rate increases made by the Liberal Government after they came into power in 1896. A gentleman of prominence in the commercial life of St.

John—a large patron of the Intercolonial, and one whose word would carry weight wherever he is known, and that is very generally throughout this country—made an estimate showing that in consequence of the readjustment made when the Liberals came into power in 1896, an additional $100,000 were taken from the people of New Brunswick alone every year by the increase, not in the through rates but in the local rates that were imposed by hon. gentlemen opposite at that time; and those rates have continued year in and year out. Mistakes may have been made in changing the rates on the Intercolonial in the last few years, and I am not here to argue to the contrary. The management found themselves face to face with this condition: they had to meet the demands and wishes of the brotherhoods and unions, and very justly give wages to the railway employees that would be in accord with the wages paid on other railways in this country; they found that their annual expenses for this reason alone increased by about $350,000; they further found that in consequence of the large increase in the price of coal another $350,000 was added every year to the expenses of that road, and there were other expenses which in accordance with the advance in price of all materials which had to be borne. Under those circumstances, they felt there should be some readjustment of the rates. This readjustment did not give satisfaction; on the contrary a feeling of hostility was caused. but so far as I know the difficulty has been settled in such a way that there is now little or no complaint along the line of the Intercolonial over the rates that are being charged. The people of the Maritime provinces do not want any undue favours at the hands of the Intercolonial authorities, or anybody else; all they ask is fair play. The question is, are the rates charged on the Intercolonial to-day unjust as compared with the rates charged on the Canadian Pacific railway, the Grand Trunk railway, and the other railways of this country? The statement has been made to-night that they are less than the rates on those roads, and less than the rates on the Temiskaming and Northern Ontario railway, which is owned and operated by the Province of Ontario. If that is the case, the people of the Maritime provinces have no complaint to make, and I believe that at the present time, with the consideration that has been given to the new rates and the reductions and readjustments that have taken place, there is little fault-finding in the Maritime provinces with regard to the rates. My hon. friend referred to the taking off of the suburban service. I think that was a mistake, and I so expressed myself at the time. It interfered with people in Halifax and St. John and in places in Westmorland and York counties, who had been for years depending upon that service. The facts were made known to the authorities and investigated, with the result that those suburban services which were changed without a proper knowledge of the localities affected have been restored, and as good suburban services are now being given as before. As I said, in any transition period there is bound to be trouble, as was demonstrated by Mr. Blair's experience with the Intercolonial; but after a few months of operation, and when conditions become better known, these troubles disappear. That will be the case with the grievances that existed along the line of the Intercolonial some months ago but which do not exist nearly so strongly to-day. I think my hon. friend would have had better ground for moving his resolution some months ago than at the present time.

My hon. friend has dwelt upon the fact that men are employed on the Intercolonial who have been previously employed by the Canadian Pacific railway, and from that he draws the conclusion that the Intercolonial is being made subordinate to the Canadian Pacific railway.

Mr. EMMERSON: That was not the only reason. I referred to the Gutelius-Bosworth agreement.

Mr. HAZEN: I do not think my hon. friend is justified in drawing any such conclusion. As was pointed out by my right hon. friend the Prime Minister, the Government at the time when the hon. member for South Renfrew was Minister of Railways, required a man for a high position on the Intercolonial went to the Canadian Pacific railway and obtained from them Mr. Brady.

Mr. EMMERSON: Mr. Brady was not employed by any railway at the time of his employment by the Intercolonial.

Mr. HAZEN: My hon. friend may be correct, but my information is that Mr. Brady had been an official of the Canadian Pacific railway practically up to the time of joining the Intercolonial. I do not for a moment think that because a man has been trained in one railway service, and to better his condition leaves it to work for

another railway that he is therefore, going to be disloyal to the corporation or Government who have obtained his services. Nor do I think it can be argued for a moment that he will have any desire to advance the interests of the company from which he came to the disadvantage of the concern employing him. It is not an unusual thing among the banks of Canada for a man to leave one bank to become manager of another, but does any one argue that this gentleman will be loyal to the interest which he has left to the disadvantage of the interest which is employing him at the time? We find the same thing in commerce. Surely it cannot be argued for a moment that because a man has been employed by the Canadian Pacific railway before coming to the Intercolonial that he will therefore, try to make the Intercolonial subordinate to the interests of the road he has left. I am sure my hon. friend himself would not subscribe to a doctrine of that sort. If men are required for positions on the Intercolonial, and if it should be that there are not suitable men in the employ of the road to advance to those positions, I would ask where could you get better railroad men than those trained in the employ of the Canadian Pacific railway, which has been the most successful railway in the world and whose success is largely due and dependent upon the training and ability and loyalty of its officials? But my hon. friend goes farther. He could not, of course, ask anyone of intelligence to accept that argument, and therefore, he says: 'Just look at what was done in connection with the Gutelius-Bosworth agreement. That is conclusive evidence that Mr. Gutelius is playing the game of the Canadian Pacific railway and is not loyal to the Intercolonial.' If such is the case, I would ask my hon. friend what conclusion he would draw from the fact that the Canadian Northern railway were given running rights from Quebec down to Halifax at a rate far less than the rate paid by the Canadian Pacific railway from St. John to Halifax under the Gutelius-Bosworth agreement. Would he not draw even more strongly the conclusion that the officials who were responsible for entering into that agreement with the Canadian Northern railway, for the handling and transportation of freight from Quebec to Halifax, were playing the game of the Canadian Northern railway and were loyal to the Mackenzie and Mann interests to the disadvantage of the Government of Canada which they were serving.

The facts in connection with the Gutelius-Bosworth agreement, to which I wish to refer, are briefly these: The Board of Trade of the city of St. John, approaching this question in no narrow spirit, are of opinion that the rate charged is not an adequate rate and that the agreement is not justified from the railway standpoint. They did not take the ground that the Intercolonial should refuse to haul the freight and cars of the Canadian Pacific railway from St. John to Halifax, or any other point, but they did take the ground that if they did so they should do so at the proper rates and at rates that are justifiable from the railway standpoint, at such rates as the Board of Railway Commissioners would prescribe if a privately owned road went to the Railway Commission and asked for running rights over some other road for which rights rates should be prescribed. That is the position that was taken by the Board of Trade of St. John and they made application to the Minister of Railways and Canals asking that the agreement should be submitted for the consideration of the Board of Railway Commissioners. The Minister of Railways and Canals acceded to that request. The Railway Commission were prepared to hear the matter at any time. The Council of the Board of Trade of St. John retained counsel, one of whom was my hon. friend who represents the city of St. John (Mr. Pugsley) and the other the recorder of the city, and they placed the matter in their hands. But from that moment to the present, no application has been made by, or on behalf of, the Board of Trade to the Railway Commissioners to secure an opinion or a decision as to whether that agreement was fair and just from a railway standpoint or whether it was discriminatory against the port of St. John. The reasons that induced the Board of Trade not to proceed with this matter I do not know. I understand that it was considered that as the agreement was only for a few months, and as it has expired now, no good purpose would be served by pressing the matter before the Board of Railway Commissioners, but the fact remain that the Minister of Railways and Canals at once acceded to the request that the matter should be referred to the Railway Commission and the commission were prepared to give a decision in regard to it.

I have felt it only right to refer to this in view of what my hon. friend from Westmorland (Mr. Emmerson) has said. Different opinions have been expressed. Mr. Gutelius has asserted that from the railway traffic standpoint the agreement was thoroughly justifiable. Other gentlemen

have made different statements and my hon. friend from Westmorland has made a statement to the same effect but at that time my hon. friend did not know of the rates which were given to the Canadian Northern railway from Quebec to Halifax.

Mr. EMMERSON: That does not affect the question.

Mr. HAZEN: That does not affect it except to make it so much worse for the arrangement entered into by my hon. friend and the Government which my hon. friend supported because the rate was not an adequate or proper rate and not one which could be justified from the railway standpoint.

Mr. EMMERSON: That does not justify this.

Mr. HAZEN: If this cannot be justified what will be said of the arrangement entered into by my hon. friend to enable the Canadian Northern to take its freight from Quebec to Halifax? I have every confidence that the difficulties which have existed in connection with the Intercolonial railway will disappear, and that the gentlemen who have been placed at the head of the railway will do their very best to meet the requirements of the country and of those who are connected with the railway itself. I further believe that all these difficulties which have been so often exaggerated and dwelt upon by hon. gentlemen opposite and by the press which supports their party will disappear entirely before long and that it will be found that the road will be run in the interest of the Maritime provinces and for the general good and welfare of the people of the country as a whole.

There were other matters that I intended to refer to but I think that at this late hour I will not farther trespass upon the time of the House. I submit again to you, Sir, with all possible confidence that no case has been made out by the hon. gentlemen who have addressed this House in support of this resolution that would justify the House in voting that the Government is deserving of censure on the ground that the methods of the present management of the Intercolonial railway are oppressive and unfair to the present railway employees and that nothing has been shown to the detriment of their interests or that of the business interests of the country.

Mr. J. H. SINCLAIR (Guysborough): Mr. Speaker, if I can get the attention of the House for a few minutes I will endeavour to be very brief in the remarks which I intend to make. It is an easy matter to find fault with the management of the Intercolonial railway. It has been always more or less easy, but, in my judgment, it never was so easy at any time in our history as under the present management. My desk is full of various kinds of complaints against the way in which the Intercolonial railway is managed. I have reason to know that the desks of hon. gentlemen sitting around me are in the same position. I do not intend to refer at all to these complaints. We, on this side of the House, unlike my hon. friend the Minister of Marine and Fisheries (Mr. Hazen), who has just taken his seat, are not thinking of yesterday. We are thinking of to-morrow. The question is: Can the Government of Canada successfully manage a big enterprise like this? Can the breath of life be put into the management of the Intercolonial railway? Can it be built up to be a great transportation system with modern grades, curves and branch lines reaching out for traffic in all directions where traffic is available and in this way become a real factor in the development of the great natural resources of the country through which it passes? In the past the Intercolonial railway has actually retarded the development of the Maritime provinces. It is doing that to-day, and the question is: How long will it continue to do that? The fact that the Intercolonial railway occupies the field has kept other railway companies out of the field. No company wants to compete with the Government. The delay in extending the railway to the island of Cape Breton is a good illustration of the apathy that has characterised the Intercolonial railway ever since inception. It cannot be disputed that the ninety miles of railway in the island of Cape Breton is the greatest traffic-producing part of the road, but Confederation was twenty-five years old before that railway ran to the island of Cape Breton. Does any man believe that any progressive company would have looked across the strait of Canso for twenty-five years without endeavouring to tap the resources of that rich and prosperous island? The first minister of railways to pull the Intercolonial out of the mud was the Hon. A. G. Blair. His successors in the late Administration followed up his good work. He saw that the Intercolonial railway never could succeed while its terminus was in a field at Lévis. Within one year from the date on which the late Govern-

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ment took office the Intercolonial railway was extended to the city of Montreal. Immediately improvements began to be made; the road-bed was improved, the light 65-lb. rails were taken up and 80 or 90-lb. rails were put in their places; the Maritime Express was greatly improved and made into a modern train. Fast freight trains were added by which freight was carried from the ports of the Maritime provinces to Montreal on schedule time, something that had never been done in Canada before. Then again the Ocean Limited was added to take care of the tourist traffic. Shortly before the defeat of the late Administration, they embarked upon the policy of acquiring and building branch lines but they did not have time to develop this part of their policy prior to their defeat. It is true that this Government have talked a great deal about branch lines and the improvement of grades and curves, but it has all ended in talk. If they had kept their hands off we would have had now two important branch lines in eastern Nova Scotia, but the step having been taken by the late Administration, the present Administration and no Administration in Canada can go back.

We on this side of the House were much encouraged a few weeks ago when the views of my hon. friend from North Cape Breton (Mr. McKenzie) were accepted by the House, and we hope that this indicates a change of heart on the part of the Administration. The resolution of my hon. friend which was carried unanimously on March 16, was in the following words:

That, in the opinion of this House, the time has arrived for the extension of the Intercolonial Railway of Canada into the non-railway sections of the Maritime provinces within reasonable range of the said railway.

The House of Commons is supreme in these matters; the House of Commons has said that the time has arrived for the Government to act in regard to that question, and the House of Commons having said so, it is now the duty of the Government to carry out the mandate of the House of Commons, or else to take the advice of my hon. friend from West Peterborough (Mr. Burnham) and make room for some more capable Government which will do so. It will not be denied that this resolution has special reference to a branch into the constituency I have the honour to represent. My constituents will await with a great deal of interest the action of the Government when the supplementary Estimates are brought down. There is no use in any more empty promises of investigations and of surveys; the only thing that will count now is cash to be expended in actual construction. Even then it will be difficult for my constituents to forget that this Government cancelled a contract made by the late Government and deprived us of our rights for three years.

The Prime Minister has told us to-night that there is an absolute absence of political or party consideration in the management of the Intercolonial railway. I am compelled to take direct issue with the right hon. gentleman on that statement. I will say on behalf of the Minister of Railways, whose absence and whose illness we all regret, that if he had his own way I think there would be less politics in the management of the Intercolonial railway than there is to-day, but if there are no political considerations in the management of the Intercolonial, how does the Prime Minister explain the dismissal of so many of its officials. A large number were dismissed in the eastern part of Nova Scotia, and in my own constituency there were men dismissed on evidence that turned out to be perjury; but the official has not been restored to his former position.

Mr. HAZEN: How does my hon. friend from Guysborough explain the wholesale dismissals after the return of the Liberals to power in 1896?

Mr. SINCLAIR: I am not making the statement that there were no politics in the Intercolonial under former management, but the Prime Minister has stated to-night that there are no political consideration governing the management of the Intercolonial railway to-day, and I am refuting that statement, and I say it is impossible for the Prime Minister to square that statement with the fact that a large number of officials have been dismissed. I have referred to some dismissals which took place in my own constituency, and I am informed that in the county of Antigonish, two out of every three employees on the Intercolonial were dismissed by this Government, and that some of them were replaced by men who were beyond the legal age.

Will the Prime Minister say that if the county of Guysborough and the county of North Cape Breton had returned supporters of his Government at the last election that he would have cancelled these two railway contracts? I question very much if the Prime Minister will make that statement, and if he cannot make that statement it is idle for him to tell us that there are no political considerations entering now into the Intercolonial railway management.

My hon. friend (Mr. Hazen) said that in regard to the branch lines, he wanted the idea to go abroad throughout this country that the defeat of the Branch Line Bill by the Senate is the reason why the Government were not taking over the branch lines throughout eastern Canada.

Mr. GRAHAM: Did he say that?

Mr. SINCLAIR: He did. But even though that statement does go abroad, the people of the country will not believe it because they know that numerous branch lines have been taken over by the Government and by the Intercolonial without any Bill such as he speaks of. What about the Drummond County railway, a large and important railway, in respect of which there was no general authority enabling the Government to take it over? What about the Eastern Extension railway, which became part of the Intercolonial some years ago; what about the Sunnybrae branch and numerous others which have been taken over without any such Bill? In each of these cases the transfers were authorized by Parliament. It is idle for the Minister of Marine to try to spread throughout the country the idea that the defeat of that Bill is the reason why the Government is failing to do anything with regard to the branch lines.

There is another matter I wish to draw attention to and that is an interview given by Mr. F. P. Gutelius, the general manager of the Intercolonial railway, and published in the Montreal Gazette on the 23rd of March last. This interview was referred to by my hon. friend from Pictou to-night, and it was given for the purpose of explaining the purchase of United States coal for use on the Intercolonial. Mr. Gutelius travels out of his way to discuss other matters relating to the railway, and he undertakes to inform the public as to the most profitable section of that system. This question is one of considerable interest. It is always regarded as important by members representing constituencies in Nova Scotia, when we are asking for improvements or additions, or for branch lines, if we are able to show that the roads that have been built in Nova Scotia are profitable to the Government. I make the statement here that every expenditure of that kind and every branch line that has been built in Nova Scotia has been an excellent investment for the Intercolonial railway. Here is what Mr. Gutelius is reported to have said in the Montreal Gazette:

As far as the revenues of the road are concerned, Mr. Gutelius said there was no questioning the fact that the province of Quebec is the banner province as far as the revenue producing capacity of the Intercolonial railway is concerned. The money is made in Quebec, New Brunswick comes out about square, while the loss is in Nova Scotia, notwithstanding the statement made in a pamphlet issued down in Pictou showing the earning qualities of that section of the railway.

That is a very positive statement. Mr. Gutelius says there is no question about the fact that Quebec is the banner province as far as revenue producing qualities are concerned, and that the loss of the Intercolonial is made in the province of Nova Scotia. But what are the facts? I do not profess to be an expert on these matters, nor do I profess to know more about the revenue producing sections of the Intercolonial railway than does the general manager. However, I felt confident that the statements made by Mr. Gutelius to the Montreal Gazette on that occasion were not in accordance with the facts. I accordingly moved for a return to ascertain the exact facts as to where the revenues came from and that return was brought down a few days ago. It was delayed for some weeks, as I understand the information had to come from Moncton, and I have no doubt the return was made under the direct supervision of Mr. Gutelius himself. And, when brought down, it turns out to be a direct refutation of the statement made by Mr. Gutelius. This return shows that in Nova Scotia, with only one-third of the mileage of the Intercolonial, produces about one-half the revenue, and, instead of Quebec being the banner province so far as traffic is concerned, it is shown by this return that Nova Scotia is the banner province. It is also clear that this high-paid official did not know, when he gave that information to the newspaper, what he was talking about. In order to be fair to the House, I shall read the exact questions I put to the acting Minister of Railways, and the answers I received in reply. The following are the questions and answers:

1. How many tons of freight were carried by the Intercolonial railway during the year ending March 31, 1913, distinguishing between eastbound and westbound traffic?

The answer to this question brought down by the acting minister is, as follows:

Total eastbound traffic	2,182,084 tons.
Total westbound traffic..	3,021,385 "
Grand total..	5,203,469 "

The other questions and answers were as follows:

2. How many tons of freight referred to in paragraph one, originated in the province of Nova Scotia, including all freight delivered to the said Intercolonial railway at the seaports of the said province?

Answer: The tonnage originating in the province of Nova Scotia during said year was 2,693,024 tons. Of this amount, 99,308 tons were delivered to the Intercolonial railway by steamships at the seaports in Nova Scotia for furtherance by rail.

3. What was the gross amount received by said railway during said year for passenger traffic in Nova Scotia, New Brunswick and Quebec respectively?

Answer:

Nova Scotia	$1,128,640 07
New Brunswick	670,343 47
Quebec	844,783 09
Total	$2,643,766 63

4. How many tons of the total freight carried by the Intercolonial railway during the said year originated in the province of Quebec and New Brunswick respectively?

Answer:

	Tons.
Total number of tons originating in New Brunswick	799,824
Total number of tons originating in Quebec	1,008,406

Now, making a short abstract of these answers, we get the following result:

Year ending March 31, 1913.

	Tons.
Tonnage originating in Nova Scotia	2,693,024
" " New Brunswick	799,824
" " Quebec	1,008,406
" " Ontario and elsewhere	702,215
Total	5,203,469

So you will see that Nova Scotia contributes more than half the tonnage of the Intercolonial railway. Now, let us turn to the passenger traffic. The following is the amount of cash taken for the tickets sold in the various provinces through which the line runs—leaving out of course, the province of Prince Edward Island:

Nova Scotia	$1,128,640 07
New Brunswick	670,343 47
Quebec	844,783 09
Total	$2,643,766 63

So you will see that Nova Scotia contributes about half the total passenger traffic of the road. Thus it is shown that the general manager in this interview made a reckless and incorrect statement, reflecting upon the business of Nova Scotia. I submit, that when the general manager undertakes to make a business statement to the public on a matter of this kind, he should be very careful to be correct in his facts.

Mr. CURRIE: With the permission of the hon. gentleman, I would like to ask if in the statistics he has prepared he has compared the profit or loss of handling the traffic in these several provinces. The bulk of the traffic might originate in Nova Scotia and yet that traffic might be carried at a loss per ton mile as compared with the other provinces, and no doubt that is what the general manager means.

Mr. SINCLAIR: I assume that freight can be moved as cheaply in Nova Scotia as in Quebec. I do not pretend that this statement that I am giving is absolute proof. It may require some qualification. I am only showing that the province of Nova Scotia, with one-third of the mileage, produces about one-half the freight traffic, and brings in about half the money paid for passenger tickets.

Mr. CURRIE: But might not the result be that there were far too many employed in the operation of the road and that that is the reason he fired them.

Mr. SINCLAIR. If there are too many officials that is the fault of Mr. Gutelius himself. And if he dismissed any, he took care to put others in their places. I have shown that the Department put in old men far beyond the age limit provided by law. Now, I come to another paragraph of this interview to show how poorly the general manager is informed. He does not know the distances even on his own road. The hon. member for Pictou quoted from a Conservative paper a statement that there were old women busy with their knitting in Nova Scotia who knew more of the geography of the road than some of those Yankee officials. I will show you that this applies to the general manager himself. Mr. Gutelius announces that he has inaugurated a new policy on the Intercolonial railway. Let me give his own language:

A new policy is also to be inaugurated in the way of heavy shipments from Montreal to Sydney and vice versa, by sending trains around by the so-called short line from Oxford Junction to Stellarton, Pictou county, instead of by Truro, thus saving forty miles in distance, but also avoiding the very heavy grades between Oxford and Truro and near Westville. Sir Charles Tupper who was Minister of Railways and Canals when this short line was built, said the day would come when this route would be the leading freight line between the Sydneys and the west, and thus the prophecy of the ex-Prime Minister is being verified.

There are two glaring inaccuracies in that statement. By diverting the traffic to the so-called short line we do not avoid the grade at Westville, as that grade is on the short line and not on the main line. It is a conundrum to those who read that statement how Mr. Gutelius can get traffic from Stellarton to Oxford or from Oxford to Stellarton by the so-called 'short line,' without taking same over the Westville grade. As for his statement that he will save forty miles in distance, this also is incorrect as he could have found out by referring to his own time-table. We find the exact facts, as taken from the time-table issued by Mr. Gutelius himself to be as follows:

Distance Oxford to Stellarton via Truro	87.3 miles.
Distance Oxford to Stellarton via Short Line	79.6 "
Difference in favour of Short Line.	7.7 miles.

So, instead of saving forty miles he saves a little over seven and a half miles. I have no objection to Mr. Gutelius throwing bouquets at Sir Charles Tupper, but I would advise him when he wishes to get exact information, not to rely on Sir Charles Tupper's old speeches. It will be remembered that Sir Charles Tupper was Minister of Railways when the short line was built. And when he secured the vote for it he assured Parliament that he would save forty miles in distance between Oxford and Stellarton. But when he had accommodated his friends in Colchester, Cumberland and Pictou, he had made the line so crooked that he had only saved seven and a half miles. This is well known to every one in Nova Scotia, though it does not seem to be known to the general manager of the Intercolonial railway. The most objectionable part of this interview is the gratuitous reflection it makes upon the business of Nova Scotia. In order to give weight to this statement, Mr. Gutelius had to falsify the facts, and I can imagine no excuse whatever for such an interview being given out to the public. A man in the position of Mr. Gutelius, in charge of a great railway, should have some regard to the responsibility of his position and to the facts before he gives to a great commercial newspaper like the Montreal Gazette such an interview as he did give. Besides, it is no part of the duty of this official to make odious comparisons in regard to any province. Mr. Gutelius costs the people of Canada $20,000 a year, and I venture to say that he could not earn one-half that sum in any other profession or calling that is open to him. The hon. member for Westmorland pointed out that the service given by the Intercolonial railway was never worse than it has been since this highly-paid official came into charge, and that is absolutely true. My only purpose in calling attention to this interview is to induce the acting Minister of Railways to instruct this bumptious official of his to stop issuing manifestos in the newspapers and to attend to his business with a view to making some adequate return for the money which the people of Canada are paying him, and with a view to rescuing the Intercolonial railway from the condition of confusion that has overtaken it since he assumed its management.

Mr. ONESIPHORE TURGEON (Gloucester, N.B.): I shall give my support to the resolution moved by the hon. member for Westmorland. I wish to say that I agree with what has been said on this side of the House with regard to the management of the Intercolonial railway.

A great deal has been said with regard to the branch lines policy of the Government and the hon. Minister of Marine and Fisheries, who is not now in his seat, has criticised the former Administration, and more particularly the former Minister of Railways and Canals, the hon. member for Westmorland, as well as the hon. member for South Renfrew, for the manner in which they dealt with this question when hon. gentlemen on this side were in power. I may say in a few words that we on this side of the House have had to educate the people of Ontario to a realization of the fact that the Intercolonial is a Canadian railway, not the sole property of the Maritime provinces, and no person has given more devotion to that principle than the hon. member for Westmorland. May I be permitted to say that we in the Maritime provinces owe a great debt of gratitude to the hon. member for South Renfrew for the better feeling which he created in Ontario from the moment he took charge of the Intercolonial railway. It is to the credit largely of the hon. member for South Renfrew that it is possible for the Government of the day to acquire branch lines to be operated as part of the Intercolonial.

My hon. friend the Minister of Marine and Fisheries has made a statement which I am not prepared to accept, notwithstanding the courtesy which I wish to extend to him at all times. My hon. friend

imputed motives to the Minister of Railways in the late Administration in connection with the taking over of the Canada Eastern Railway. The minister seemed to dwell upon the fact that that railway was owned at the time by one Mr. Gibson, whose son was then a member of this House, supporting the Liberal Administration. I cannot allow that assertion to pass without refutation. The real desire was not to favour Mr. Gibson or his son or any member of that company; the time had come when that railway would be taken over by the Canadian Pacific Railway Company if it had not been acquired by the Government of the day. It would have been the greatest misfortune for the people of the Maritime provinces had the Government of the day allowed that railway to go into the hands of the Canadian Pacific railway, because it carries a great deal of the trade of the counties of Northumberland and Kent, being particularly valuable for the transportation of fish from points in Gloucester and Kent counties.

The hon. gentleman says that because of the action of the Senate the branch lines policy was not put in operation last year. Although we on this side of the House agreed with the members of the Government to accept the Bill as presented by the minister at that time, the Senate were not prevented from looking into the constitutional aspect of the matter. The Senate cannot be accused of partisanship in that regard. We on this side of the House agreed as to the desirability of the taking over of the branch lines by the Government, to be operated as part of the Intercolonial railway, but the Senate thought that it was not in accordance with the principle of the constitution to give the minister power to acquire and build branch lines without the authority of Parliament. The people of this country to-day understand the duties of both branches of Parliament. The people understand that the Senate as well as this branch of the legislature should perform their duty to the people of Canada and that they were justified in introducing that amendment, which merely provided that the minister should obtain the authority of Parliament before purchasing or building branch lines. When that Bill came back to the House the Government refused to accept this amendment made by the Senate, although hon. gentlemen on this side were willing to accept it. It has been said that the ex-Minister of Public Works (Mr. Pugsley) suggested that a conference should be held between this House and the Senate and, therefore, if my right hon. friend and the members supporting him really had had at heart the acquisition of these branch lines, in the Maritime provinces more particularly, they could have either accepted the amendment or had a conference with the Senate and I for one feel that, in the exercise of my duty, I have to cast the blame upon the Administration of to-day for having failed to acquire some of these branch lines. I am more particularly interested in this because in my county there is one of the longest and most productive branches along the Intercolonial railway, extending from Bathurst to Shippegan, sixty-five miles and from Inkerman to Tracadie, twelve or fifteen miles, and the people have been waiting for relief. We in that county are now subject to a double tariff; since the Intercolonial under its new management raised the freight rates the Caraquet company have also increased their tariff and therefore our people have to pay much more than they used to.

There is another branch to which I wish to call the attention of the Prime Minister and more particularly of the Minister of Marine, that is the extension of the Bathurst line to the harbour of Bathurst. This question was mentioned some time ago. The Minister of Marine has given his support, when Premier of New Brunswick to the construction of this road. I referred to the line from Bathurst Mines to Nepisiguit Junction, four miles. The mine will certainly continue to be operated because it is inexhaustible and, much as I regret the cessation of business by the Canada Iron company, I am in a position to say that arrangements have been made with the receiver by another company to operate the mines and therefore shipments will continue from the mines to Nepisiguit Junction and to Newcastle for some time. This line should be taken over and operated by the Government. The traffic for that line is not confined merely to the shipment of iron ore. The town of Bathurst is well known to the Minister of Marine. He has encouraged the railway by giving a guarantee of about $15,000 when he was Premier of the province. I have done everything I could in behalf of that enterprise and urged it upon the former Minister of Railways and Canals and the former Administration had practically decided to build the railway and operate it themselves when the Canada Iron company suggested that they would prefer to build it and operate it for their own business. There is now a considerable lumber

industry there which would provide additional traffic. The minister is aware that a pulp and paper mill upon which $3,000,000 or $4,000,000 will be spent is under erection at Bathurst and it will continue to give trade on that line from the harbour of Bathurst to Bathurst Mines. The Government should build the rest of that line from Nepisiguit Junction to the harbour, four miles, which would make a saving of over thirty-seven miles in the transportation of the ore. I do not think it would be necessary for the Government to put an item in the Estimates for this season for the construction of that line, because the harbour improvements which I hope will be completed early next spring are not yet ready. I would hope that a survey be made of the balance of that railway out from Nepisiguit Junction to the harbour, four miles, and meanwhile the department might communicate with the receiver or the proper authorities of the Canada Iron company. They have had a double subsidy, one from this Government and one from the Federal Government. The road bed is a first class construction. I ask the Prime Minister to take this matter into his consideration and I hope before long he will have his engineers make this survey.

I shall vote for the amendment brought in by the hon. member for Westmorland.

Mr. H. BOULAY (Rimouski): Mr. Speaker, it was my intention to address the House at some length in regard to the question brought forward by the hon. gentleman from Westmorland (Mr. Emmerson); but in view of the lateness of the hour, I shall be content with a few remarks suggested by certain statements which hon. gentlemen opposite have ventured to make.

They endeavoured to show, among other things, that the Bill passed by the House last year, making provision for the taking over of the branch railways by the Intercolonial, had not been effectually sidetracked through the action of the Senate, where their party is in the majority. The truth of the matter is that in this House that Bill was unanimously carried; both parties having come to an agreement in regard to the matter, the taking over of these branch lines was decided without a dissentient voice. It was the general opinion that such taking over was of absolute necessity in the interest of the Intercolonial, as well as of the province of Quebec and of the Maritime provinces. The matter was so well understood, that not a dissentient voice was heard condemning the proposal. To my mind, that would be an additional reason for the Senate to pass the Bill without changing a word, since no differences of opinion had been voiced in the House of Commons in connection with the proposal. It seems to me that in respect to such an important Bill, when there was unanimity of feeling, the Senate should not have taken the liberty of mutilating the Bill as forwarded from the House of Commons, in such a way as to render it useless. The Senate might have been justified in taking such a stand in respect to a measure which had been the occasion of much wrangling in this Chamber. But that was not the case as regards that Bill; and the Senate amended it to such an extent that the Government was no longer in a position to make use of it, and as a consequence the branch lines were not taken over.

It was even stated that the hon. Minister of Railways was opposed to the policy of acquiring those branch lines, and that this was probably the reason why the Senate amendment was not accepted. Now the facts point in the opposite direction. It was the hon. Minister of Railways (Mr. Cochrane) himself who introduced the Bill, who put it through the House, and that hon. gentleman is too much of a business man not to have perceived at once that this was a vital issue and of the greatest moment for the future of the Intercolonial. There is, for instance, the International railway whose earnings cover ten times over its expenditure; the Caraquet railway which shows a handsome margin of profits; also the Chaleurs Bay railway and the Canadian-Gulf railway, which runs from Ste. Flavie to Matane, and shows receipts double its expenditure. So it will be seen that the Minister of Railways had no reason whatever to object to the taking over of these branch lines.

Exception has also been taken to the doing away with the train service known as the Ocean Limited, between Halifax and Montreal. On that point I agree with those hon. gentlemen, and I say that the said train should have been left on. If it was necessary to cut off some of the trains, it would have been preferable to do away with train services 33 and 34, so-called. There is not the least doubt that during some winter months, such as February and March, two passenger trains are more than is required. Undoubtedly the Ocean Limited is by far the most convenient for those who travel between Halifax and Montreal, and the people of the province of Quebec, especially as it runs by night. If I had any

suggestion to offer to the hon. Minister of Railways, it would be to cut out those two trains 33 and 34, and leave on the Ocean Limited.

Exception was also taken to the management of the Intercolonial. As to the condition of the railway proper, I am bound to say that, as stated by the hon. Prime Minister this evening, it is in as good condition as it was two or three years ago, that is under the management of hon. gentlemen opposite. But the criticism I have to offer, and the grievance which is complained of in my district, at any rate, is that the engines used in the Matapedia valley are rather too heavy and bulky for the curves to be met with along that part of the road. Whoever is acquainted with the valley of the Matapedia between Campbellton and Ste. Flavie, realizes that those engines are too heavy and that it would be advisable to use lighter engines, as on some occasions those heavy engines have caused the trains to run off the tracks and inflicted losses on the Intercolonial railway. But all that does not affect the condition of the road, and it is as good as it was under the Liberal rule.

I noticed that the hon. member for Pictou charged the Government with being too lax in its repression of the use of liquor. It was stated that both an engineer and a conductor in Nova Scotia had been kept on the service after some rather damaging evidence had been adduced against them. Well, I do not know whether the Intercolonial has two weights and two measures, but I doubt very much the correctness of the charge, as, in my county, I know of two men who were dismissed for taking a single glass of liquor. I should add that under the circumstances I found the measure rather drastic, and it surprises me that such laxness should have been shown in Nova Scotia, as contended by the hon. member for Pictou. I do not understand why so much harshness should have been shown in the province of Quebec in dealing with two men who acknowledged taking some liquor. The circumstances are well worth stating. At Campbellton, for some time past, the disappearances of large quantities of liquor had been noticed on the Intercolonial, and steps were being taken with a view to finding out those who were guilty of these pilferings. A Moncton detective approached these two men, who were working on some engines, with a view to obtaining some information from them, and, to attain his object, he promised them on behalf of the officials that, should they give out information in their possession concerning these liquor thefts, no action would be taken against them. The promise was made to them that they would be exempt from all punishment, and under such circumstances, as is well known, in any court of justice, the King's evidence goes scot free. Besides, those people not being under oath, were not obliged to state the truth. They admitted, in answer to the detective's questions, that they had taken a glass of liquor, and immediately they were dismissed by the Intercolonial management, in spite of the promise of immunity which had been made to them.

All that leads me to think that the charge proferred by the hon. member for Pictou is without foundation, unless the Intercolonial has two weights and two measures.

Mr. GAUVREAU: Is the hon. member in a position to say where they had secured those two glasses of liquor?

Mr. BOULAY: They had got the liquor from another man in the employ of the Intercolonial. That was the whole of the evidence adduced at the time. However, that was enough to put the detective on the track of part of the stolen liquor. What I find to blame under the circumstances, is the dismissal of those two men, after they had been promised exemption on behalf of the management of the Intercolonial railway.

Mr. W. F. CARROLL (South Cape Breton)—Mr. Speaker, at this late hour, and as the question has been fully discussed I do not intend to take up much of the time of the House in a further discussion of the state of affairs on the Intercolonial. There are, however, a few observations which I wish to make. I do not intend to go into the question of the acquisition of branch lines for the Intercolonial, or into the question of building new lines as feeders for that railway, which, incidentally, would open up new country in the Maritime provinces. My views on that question are well known to the House, and particularly as regards the taking over of the St. Peter's road by the Intercolonial, and its extension to Louisburg, thence to the mining distrcts of Cape Breton county and on to Sydney, opening up new country and giving to the mining people of Cape Breton county a chance to get lower freight and passenger rates than they at present enjoy under the system of railways which we have in that part of the country. I wish also to say a few words on the question of the management of the Intercolonial promoting men from the ranks of that rail-

way to its high positions. I also wish to say a word or two as to the advisability of this or any other Government buying coal for fuel on the Intercolonial from the United States or any other country but Canada, in view of the fact that we have as good a supply of coal for that purpose in the eastern part of this country as can be obtained anywhere in the world. I shall also say a few words as to the introduction of standard rules on the eastern section of the Intercolonial.

With reference to the promotion of men from the ranks of the Intercolonial to the higher positions on that road, I wish to say that neither this Government nor any other Government in this country has given that question the serious consideration which it demands. If I had time, I could show that men who have grown up in the service of the Intercolonial have obtained positions of the very highest character in railways across the line, and in the Canadian Pacific railway, and Grand Trunk in this country. The Premier has told us that it is the policy of this Government to promote men from the ranks to fill the high official positions on the Intercolonial. I am sorry to tell my right hon. friend, and this House, that the Government is not putting that policy into effect. On the 26th of February last, I asked the following question:

1. What are the names of the new appointees of the head office staff of the Intercolonial railway, since September 21, 1911?
2. Who were their predecessors?
3. What is the salary of the individual new appointees, and what is the salary of their predecessors respectively?
4. On what railways did the new appointees see service, and what were their respective salaries there?

The answer was that nine changes had been made in the head office staff at Moncton, and the House will be surprised when I tell them that not one of those nine were taken from the ranks of the Intercolonial. Mr. F. P. Gutelius, previous to his appointment, was employed by the Investigating Commission of the Transcontinental railway, and previous to that by the Canadian Pacific railway; C. A. Hayes, who took the place of E. Tiffin, and who previously had a salary of $700 a month, came from the Grand Trunk railway and was promoted to the office at Moncton at a salary of $833.33 a month. H. F. Alward, who had previously received a salary of $3,200 a year, was promoted from another railway and given a position on the Intercolonial at a salary of $333.33 per month; C. B. Brown, who came from the Canadian Pacific railway to succeed W. B. Mackenzie, and who had previously received a salary of $4,500 a year, was appointed at $500 a month; W. A. Duff came from the Transcontinental railway to take the place of A. E. Killam. He had previously been getting a salary of $250, and receives the same from the Intercolonial; R. G. Gage was appointed at a salary of $200 a month to take the place of E. A. Rolfe. He came from the General Railway Signal Company of Canada. W. R. Devenish came from the Transcontinental Investigating Commission and receives $200 a month; G. E. Smart came from the Canadian Pacific railway and assumes part of the duties of W. N. Appleton, W. E. Barnes and Mr. Sharp, at a salary of $300 a month. Robt. Klock is the only person of the whole nine who can be said to have had any experience with the Intercolonial. He came from the Department of Railways and Canals, and probably had very little experience with the Intercolonial. So while the Prime Minister tells us that it is the policy of the Government to fill these high positions on the Intercolonial with men who have grown up in that service, I want to point out as evidence of their not putting that policy into effect the return which came down on the 26th of February last, and from which I have just been reading. I take the ground that there are men in the employ of the Intercolonial as well equipped to fill the places of responsibility on that road, either in connection with the head office or any other department, as you can find anywhere on the continent of America; and there is no justification in the world for this Government or any other to go outside the Intercolonial to get excellent men to fill those high positions. I am not going further into that question, except to point out that all the chief offices of that railway which have been filled by this Government are occupied by men who had previous experience on other railways than the Intercolonial, and therefore this Government is not making effective the policy which was announced in the House to-night by the Prime Minister. I could go on and point out further cases of men who have given their life's work to the Intercolonial—for a consideration, to be sure—good men, qualified in every respect, but who were overlooked in favour of men taken from other roads to fill places which they could well have filled.

In connection with the buying of coal

for the Intercolonial, I take the stand that where it is at all possible to buy coal from the mines in the province of Nova Scotia, or in other parts of Canada, it is not good policy for this Government or any other government to go abroad to buy coal. The 15,000 tons of coal purchased by the general manager of the Intercolonial this year could have been obtained from the collieries of Nova Scotia. In the interview which Mr. Gutelius gave to the press of this country, he showed no justification whatever for going outside the province of Nova Scotia to buy this coal, especially in view of the fact that the 15,000 tons which he imported from the United States cost the Intercolonial about $1.25 a ton more than the Nova Scotia coal would have cost, and this at a time when the mines of Nova Scotia, especially the smaller ones, were working half time, and when some of their employees were absolutely in want. I want to point out another thing in connection with the buying of this coal. This Government has gone far away from the policy that any government in this country should have in asking fourteen or fifteen coal dealers in the United States to tender for the coal supplies of the Intercolonial. If these tenders had been awarded to the Nova Scotia collieries in December, January or February for the supply of coal for the following year the collieries of Nova Scotia would have been in a position to mine the coal which was demanded, because the collieries are not going to bank up their coal if they have no prospect of contracts in the near future. That gave rise to a lot of hardship and inconvenience to the coal miners of Nova Scotia during the past winter. If these contracts had been made it would have given a great deal more employment to the people who make their livelihood by digging coal and other work in connection with mining. The fact that Mr. Gutelius, bought 15,000 tons of American coal, though there were fifteen collieries in Nova Scotia, never even approached to ascertain whether they could give the supply that was demanded by the Intercolonial railway was met by the statement that in 1901 coal was bought from the United States by the late Administration. I am not partisan enough not to condemn that act if there was no justification for it. But in 1901 there was a coal strike threatened in Nova Scotia and the managers of the collieries were not in a position to say whether they could give the Intercolonial railway a full supply of coal. Notwithstanding that fact there were only fifty thousand of sixty thousand tons of coal purchased. In 1907 there was no coal purchased from the United States but there was threatened strike then and there was an actual strike in the mines at Springhill which, unfortunately, became widespread in the year 1909. It was for that reason that the Deputy Minister of Railways and Canals at that time was seeking to ascertain what prices would be quoted for coal on the other side of the line. But notwithstanding the fact that there was a strike in the Nova Scotia collieries at that time no coal was bought outsile Canada. I take the ground that no tenders should be asked for the supply of coal for the Intercolonial railway from collieries outside of Canada. I take the ground that where it is at all possible to obtain a supply of coal in Nova Scotia coal should not be imported for the Intercolonial railway.

1 a.m.

In reference to the introduction of the standard rules on the Intercolonial railway, it is true that the Board of Railway Commissioners issued an order to the effect that the railways under its jurisdiction should bring into operation the standard railway rules. But that has no bearing whatever upon the management of the Intercolonial railway because the Board of Railway Commissioners has no jurisdiction and does not take jurisdiction over the Government railway. Therefore, the order of the board has nothing to do with the rules of the Intercolonial railway. Some days ago I put a question on the Order Paper to the acting Minister of Railways and Canals as to why these rules were introduced and what their introduction had cost. The answer of the minister is as follows:

> Standard rules are all in force on part of the Intercolonial railway and many of them in force on the balance of the Intercolonial railway system.

He also stated that there were as many as fourteen tutors employed by the Government to bring the rules into effect on the Intercolonial and that it had cost the management $5,000, the payment of these tutors, to teach men the railway business who probably knew far more about railway operation than the tutors did. But the most wonderful part of the answer that I got from the acting minister was this. I asked him why these rules were brought into effect and his answer was: To promote

safety on the Intercolonial railway. When the minister was making his statement in this debate to-night I asked him a question as to the loss of life and the number of accidents on the Intercolonial railway as compared with other railways of this country. What was the answer he gave me? Notwithstanding the fact that about four days ago he gave as the reason for making these rules effective that it was to promote safety, he could not answer the question that I put to him because he knew nothing at all about it. Therefore, when he answered the question I put to him as to the reasons for putting these rules into effect he gave the answer he did because he did not have any statistics to show that the standard rules had promoted safety any more than the rules which we have had in force on the Intercolonial for many years. He also gave the answer to my question that these rules had been adopted to promote 'economy and despatch in the operation of the railway.' Complaints have come to me from railway men operating between Truro and Sydney, which latter place happens to be in the constituency I represent, against the introduction and operation of these standard rules. There are very many old employees who have served twenty, thirty, or forty years on the Intercolonial railway, who have been in the service since the inception of the road, who have grown old in the service, and who do not readily understand how to grasp these rules and how to put them into force, they having been brought up from their childhood so to speak, to the rules which hitherto have been in effect on the Intercolonial railway. The result is that many of these old employees are unable to make themselves sufficiently acquainted with the standard rules to put them into effect on their trains, and they will, in consequence, be forced to leave the employment of the Intercolonial railway. The acting Minister of Railways and Canals to-night gave force to their contention by saying that there were some of them who were not becoming efficient in the enforcement of these rules. What is he going to do with them? He could bring in men from the Canadian Pacific railway and the Grand Trunk railway who know these rules and who understand how to use them. He would place them in the positions which have been occupied by men who have grown up in the service of the Intercolonial railway, conductors, etc., and he would place these old conductors perhaps in positions as switchmen, or something like that at very much reduced salaries. I ask the acting Minister of Railways and Canals if he thinks that is a fair proposition to make. I ask him if, in view of the fact that the railway employees in that part of the country have sent him statistics to show that there have been less accidents on the Intercolonial in proportion to the number of passengers carried than on any other railway in Canada, it is necessary to introduce these standard rules especially on the eastern section of the Intercolonial railway. What were the reasons which actuated the Board of Railway Commissioners in recommending the standard rules? The standard rules were recommended because in Toronto, Montreal and the larger cities of central Canada different railway companies were operating on same lines. In order to promote safety on such lines it was necessary to have uniform railway rules, but no such reason as that obtains in the eastern section of Nova Scotia, and no such reason obtains on any part of the Intercolonial with the exception of the line towards Montreal, and if I am correctly informed the standard rules have been in effect there for some time.

There are very many other matters in connection with the Intercolonial that I would like to discuss, but I will not delay the House at this late hour. The acting Minister of Railways need not come to this House and say that he is not receiving remonstrances from the railway men as well as from the patrons of the Intercolonial railway in the eastern section of Nova Scotia. If he does not receive such remonstrances he is the only member of the House who does not, because every member from Nova Scotia and from New Brunswick and from the eastern section of Quebec received day after day a list of grievances from the employees of the railway and from its patrons, which should be looked into by the Government. The acting minister told the hon. member for Westmorland that he brought this resolution to the attention of the House in order to make political capital out of it. Let me assure the hon. gentlemen that if the Liberal members of this House were only looking to make political capital out of the Intercolonial they would never have brought this to the attention of the House at all, because we have it on the responsibility of the editor of a newspaper in Nova Scotia, which is owned by the chief Conservative whip, that if the Government adhere to their present policy of operating the Intercolonial railway they will not have a Conservative candidate elected in any of the counties of Nova

Scotia through which the Intercolonial railway runs. If we were only looking for political effect, we would leave well enough alone and let the Government hang itself and defeat its own friends in Nova Scotia. But I think any hon. member of this House through whose county the Intercolonial runs would be remiss in his duty if he did not bring to the attention of the House and the country the grievances which exist which demand a speedy remedy. There has never been a time when the Intercolonial was more unpopular, both with its patrons and employees, than it is to-day, and I trust that the Government will undertake to at once remedy the defects. I hope they will see to it that the Intercolonial is not run on the same basis as a company railroad, because it was never built with that intention. The Intercolonial railway was built as the people's road and has been operated as the people's road, and if ever there was a time when it ceased to be such, the people rose in their wrath and forced the Government of the day to a true understanding of their duties in respect to it. It is with that intention that my hon. friend has moved the amendment which I cordially support.

The House divided on the amendment of Mr. Emmerson:

YEAS:

Messieurs

Boivin,
Bourassa,
Brouillard,
Buchanan,
Cardin,
Champagne,
Chisholm (Inverness),
Delisle,
Demers,
Fortier,
Gauthier,
(St. Hyacinthe),
Gauvreau,
Hughes,
(Kings, P.E.I.),
Kyte,
Lachance,
Lanctot,
Laurier (Sir Wilfrid),
Law,
Lemieux,
Loggie,
Maclean (Halifax),
MacNutt,
McCrea,
McKenzie,
Michaud,
Molloy,
Oliver,
Pacaud,
Papineau,
Proulx,
Reid (Restigouche),
Ross,
Sinclair,
Thomson (Qu'Appelle),
Tobin,
Truax,
Turgeon,
Verville and
White (Victoria, Alta.)—39.

NAYS:

Messieurs

Achim,
Ames,
Armstrong (Lambton),
Arthurs,
Ball,
Barrette,
Bellemare,
Bennett (Calgary),
Blain,
Blondin,
Borden,
Boulay,
Bowman,
Brabazon,
Bradbury,
Broder,
Burnham,
Clarke (Wellington),
Coderre,
Currie,
Edwards,
Elliot,
Fisher,
Garland,
Girard,
Hanna,
Hartt,
Hazen,
Hepburn,
Hughes (Victoria, O),
McCurdy,
McKay,
McLean
(Queens, P.E.I.),
Marshall,
Middlebro,
Mondou,
Morphy,
Morris,
Morrison,
Nantel,
Nicholson,
Paquet,
Paul,
Pelletier,
Reid (Grenville),
Robidoux,
Roche,
Rogers,
Schaffner,
Sexsmith,
Sharpe (Lisgar),
Shepherd,
Smith,
Smyth,
Steele,
Stevens,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Taylor,
Thoburn,
Thornton,
Tremain,
Walker,
Wallace,
Webster,
Weichel,
White (Renfrew) and
Wright—69.

PAIRS:

Ministerial.	Opposition.
Aikins,	Turriff,
Baker,	Kay,
Barnard,	McCraney,
Beattie,	Lafortune,
Burrell,	Douglas,
Bristol,	Bickerdike,
Chabot,	Beland,
Cochrane,	Graham,
Cockshutt,	Charlton,
Davidson,	Chisholm,
Doherty,	Marcil,
A. DeWitt Foster,	Carroll,
Fowler,	McLean (Sunbury),
Gauthier,	Ethier,
Kemp,	Robb,
Lancaster,	Guthrie,
Perley,	Murphy,
Rhodes,	Macdonald (Pictou),
McLeod,	Carvell,
Rainville,	Seguin,
Nickle,	Marcile,
Clark (Bruce),	German,
Wilcox,	Lapointe (Kamouraska),
Henderson,	Clark (Red Deer),
Meighen,	Nesbitt,
Sharpe (N. Ont.),	Cruise,
Foster (N. Toronto),	Devlin,
Macdonell,	McMillan,
Carrick,	Lapointe (St. James),
White,	Emmerson,
Stanfield,	Pardee,
Clare,	Cash,
White (Renfrew),	Lanctot,
Northrup,	Lovell,
Wilson,	Wilson,
Glass,	McCoig,
Clements,	Knowles,
Thompson,	Warnock,
Barker,	Power,
Munson,	Boyer,
Alguire,	Martin (St. Marys),
Forget,	Bureau,
Crothers,	Pugsley,
J. E. Armstrong,	Martin (Regina),
Jamieson,	Neely,
Porter,	Richards,
Fripp,	Gordon,

Mr. EMMERSON: I was paired with the hon. Minister of Finance. Had I voted I would have voted for the amendment.

Mr. GRAHAM: I am paired with the hon. Minister of Railways. Had I voted I would have voted for the amendment.

Mr. BELAND: I was paired with the hon. junior member for Ottawa. Had I voted I would have voted for the amendment.

Mr. MACDONALD: I am paired with the hon. member for Cumberland. Had I voted I would have voted for the amendment.

Mr. FOWLER: I am paired with the hon. member for Sunbury and Queens. Had I voted I would have voted against the amendment.

Mr. CARVELL: I am paired with the hon. member for York, N.B. Had I voted I would have voted for the amendment.

Mr. KNOWLES: I am paired with the hon. member for Comox-Atlin. Had I voted I would have voted for the amendment.

Mr. DOHERTY: I am paired with the hon. member for Bonaventure. Had I voted, I would have voted against the amendment.

Amendment negatived.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Mr. BORDEN: The hour is too late to undertake any business. I move that the committee rise, report progress, and ask leave to sit again.

Progress reported.

On motion of Mr. Borden, the House adjourned at 1.32 a.m. Wednesday.

Wednesday, May 6, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

ST. LAWRENCE RIVER DAMS.

Mr. MORRIS:

1. Is the Government aware that some dams are said to have been recently made on the St. Lawrence river between the Ile du Large, or Ile Dondaine, and the Grande Ile, opposite the Coteau rapids for a water-power?

2. Has the Government given any rights to any person to build these dams?

3. By whom was the building of these dams authorized?

Mr. REID:

1. Zeph. Boyer of Valleyeld has built a cofferdam between Grande Ile and the head of Ile du Large.

2. No.

3. Not authorized.

THE ROYAL CANADIAN REGIMENT BAND.

Mr. MACDONALD:

1. Has permission to be granted under the regulations to the band of the Royal Canadian Regiment before they take part in demonstrations of a political nature?

2. Was any permission given to the Royal Canadian Regiment band to attend a demonstration of this nature in Halifax on the evening of April 20?

3. Who asked for such permission to be granted on this occasion?

4. Was the band paid for its services on said date? If so, how much and by whom?

Mr. SAM. HUGHES:

1. Paragraph 875, K.R. and O. for the militia, 1910, as amended by general order 34, 1914, relating to bands playing in processions unconnected with the militia is as follows:

(a) Subject to the approval of its commanding officer, any militia band may appear in uniform and play in any procession unconnected with the militia, or at any meeting or demonstration unconnected with the militia, provided there be carried with it, in such procession or at such meeting or demonstration, a Union Jack of not less than three feet by four feet in dimensions.

(b) Should a commanding officer at any time refuse to permit a band of his corps to take part in any procession, meeting or demonstration unconnected with the militia, he must immediately notify headquarters, through the proper channel, his reasons for such refusal.

2. The band was not out on the 20th.

3 and 4. Answered by No. 2.

SHERBROOKE LEASED PROPERTIES.

Mr. McCREA:

1. Has the Government leased or purchased a property from Mrs. Norris Worthington, in the city of Sherbrooke, Quebec?

2. If so, what is the price of the lease or of the purchase?

3. For what purpose was the property leased or purchased?

Mr. HUGHES: The following properties are rented from Mrs. N. W. Worthington

in the city of Sherbrooke:—The second floor and one store on the first floor of the 'Brooks Block', to be used as temporary quarters for the N.C.O.'s, the band and the stretcher section of the 53rd regiment; rental, $75 per month. House to be used as temporary quarters for the accommodation of the officers of the 53rd regiment; rental, $100 per month.

CUSTOMS CLAIMS FOR UNDERVALUATION.

Mr. TRUAX:

1. Has the Customs Department a claim against Hannan's Store, Limited, Montreal, for $315, or any amount, for goods said to have been falsely entered under valuation?
2. If so, why has the Customs Department not collected same?
3. How long has the claim been outstanding?

Mr. REID:

1. Yes.
2. The claim is disputed.
3. The claim covers charges for petty amounts on importations since March 1, 1911.

QUEBEC ASSISTANT INSPECTOR OF WEIGHTS AND MEASURES.

Mr. MARCIL:

Is John Theodore Dagneau of Robitaille, Quebec, still in the employ of the Department of Inland Revenue as assistant inspector of weights and measures, district of Quebec?

Mr. NANTEL: Yes.

DARTMOUTH TO DEAN SETTLEMENT BRANCH RAILWAY.

Mr. SINCLAIR:

1. Who was the original contractor or contractors for the building of the branch railway from Dartmouth to Dean Settlement, Nova Scotia?
2. What is the date of the contract?
3. What is the mileage and the estimated gross expenditure under the said contract?
4. If the said original contract has been sublet, what are the names of the sub-contractors and the mileage allotted to each, and the amounts payable to said sub-contractors under the contracts sublet to them, as aforesaid?

Mr. REID:

1. M. P. and J. T. Davis.
2. February 16, 1914.
3. 73 miles. Schedule rates aggregating $1,740,277.98.
4. The original contract has not been sublet.

CARSLAKE HOTEL PROPERTY.

*Mr. LEMIEUX:

Having already 15,732 feet of available land near Bonaventure station, Montreal, for postal purposes, as per answer given by the Minister of Public Works on April 27, 1914, is the Government still negotiating for the purchase of the Carslake hotel property?

Mr. REID: The Minister of Public Works never stated that we had 15,732 feet of available land near Bonaventure Station. In 1907, the superficial area of 15,732 feet was taken in exchange by the Government for property on Cathedral street. The available area has been reduced by the city's homologated line, which leaves only 10,984 feet of property of an irregular shape. Expropriation proceedings for Carslake hotel property are now pending.

PORT DANIEL LOBSTER HATCHERY.

Mr. MARCIL:

1. Who were the tenderers for the gasoline launch service of the Port Daniel lobster hatchery this year and what were the figures of their tenders?
2. (a) To whom was the contract awarded, (b) was he the lowest tenderer and (c) what was the amount of his tender?

Mr. HAZEN:

1. Robert Sullivan, Port Daniel Centre, P.Q., $12.50 per day; Edmund Dea, Port Daniel West, P.Q., $12.70 per day.
2. (a) Robert Sullivan; (b) Yes; (c) $12.50 per day.

INTERCOLONIAL RAILWAY—BLOCK SIGNAL SYSTEM.

Mr. A. K. MACLEAN:

1. Is a block signal system being installed on the Intercolonial railway from Halifax to Windsor junction?
2. If so, who has the contract for the same and for what amount?

Mr. REID:

1. Yes.
2. Union Switch and Signal Company. $85,000 lump sum for block signalling St. John to Hampton, Moncton to Painsec Junction, and Halifax to Windsor Junction.

ROCKY POINT WHARF.

Mr. J. J. HUGHES:

1. Who recommended the purchase of a site and a right of way for a wharf at Rocky Point, near Charlottetown, P.E.I from Malcolm McKinnon?
2. Who recommended that the said site and right of way be not used, after the same had been bought and paid for?

Mr. REID:

1. The district engineer.
2. By petition of the inhabitants.

UNOPPOSED AND UNDISCUSSED MOTION.

Mr. SAMUEL SHARPE:

For a return showing: Whether the Government has paid Newton Wesley Rowell, K.C.,

any sums of money for legal services during the past fifteen years; if so, what amounts and when; whether the Government has paid the firm of which Mr. Rowell is the senior partner any sums of money for legal services; if so, what amounts and in what years.

MORNING SITTINGS.

Mr. BORDEN moved:

That on and from Monday next, the 11th instant, and until the end of the session, the House shall meet at 11 o'clock in the morning, and that in addition to the usual intermission at 6 o'clock p.m., there shall be an intermission from one to three o'clock p.m.

Sir WILFRID LAURIER: My right hon. friend the other day gave me a list of fourteen measures which have still to be introduced by the Government during the present session. I observe that in the Votes and Proceedings of yesterday notice is given of five of these Bills, leaving nine still to be introduced. I will rely upon my right hon. friend, if these measures are to be introduced this session, to have them brought down this week; if they are not brought down this week, I would ask that they stand over until next session. Many of them are not of an important character, although they have their usefulness, and I think that at this time we should expedite business as much as possible. I would suggest that the first morning sitting be held not on Monday but on Wednesday, because many of the members cannot be here on Monday.

Mr. BORDEN: If it does not make a great deal of difference to my right hon. friend, I would rather begin on Monday. We can arrange, if he so desires, to take up on that day business that is not of a controversial character. I think we had better make a beginning, or we shall never reach the end of the session. So far as my right hon. friend's suggestion with regard to bringing down certain measures this week is concerned, without fully committing myself to the proposition, I think there is a great deal to commend it. I can assure him that exhortations of mine to that end have not been wanting in the past, and shall not be wanting in the future.

Sir WILFRID LAURIER: Exhortations do not seem to be sufficient. Is the Co-operative Bank Bill to be introduced this session?

Mr. BORDEN: I am not quite sure that it will be introduced.

Motion agreed to.

CANADIAN NORTHERN RAILWAY RAILWAY.

On the Orders of the Day being called:

Mr. OLIVER: I wish to place before the Prime Minister a number of inquiries with a view to facilitating discussion on the Canadian Northern aid. I shall simply place them on 'Hansard' in order that the Prime Minister may procure the information. They are as follows:

Is any part of the money to be raised under the guarantee to be used in the completion, betterment or extension of the Canadian Northern lines in Alberta and Saskatchewan; or for the completion, betterment or extension of the Canadian Northern Alberta, or Canadian Northern Western lines in Alberta, or of the Canadian Northern Saskatchewan lines in Saskatchewan? If so, on what lines is such expenditure to be made, and how much is to be expended on each line in

(a) Payment of existing liabilities,

(b) Completion of construction now in progress,

(c) Betterment of completed lines,

(d) Extension of existing system?

In case of default of the Canadian Northern and foreclosure by the Government, to what extent are the provinces of Alberta and Saskatchewan protected by the terms of the resolution in respect of their guarantees to the Canadian Northern and constituent companies by provision for the completion and operation of lines the subject of such guarantees and payment of the interest guaranteed?

Can the terms of section 10 be construed to override in any degree or alter the effect of any agreements made between the provinces of Alberta or Saskatchewan and the Canadian Northern regarding their lines in these provinces?

Mr. BORDEN: I am very much obliged to my hon. friend for his courtesy in notifying me in advance of the proposed inquiries. If there are any other hon. gentlemen on either side of the House who can give us suggestions as to information which they desire, I would deem it a favour if they would make us acquainted with them.

I beg to lay upon the table of the House a statement of capital stock authorized and issued of the companies set forth in the first schedule. I may say to my right hon. friend (Sir Wilfrid Laurier) that I expected to lay upon the table of the House to-day a considerable number of documents, which included a great many of those that have been asked for; but, in the anxiety to secure copies of these documents, as well as the originals themselves, they are not quite ready at the moment. Since I became aware that the delay had occurred on account of an insufficient number of copies having been provided, I sent word to have

the originals brought in at once, so that they at least may be laid upon the table of the House to-day, and the copies to which I allude will be laid on the table either to-night or to-morrow. I am not sure that the papers alluded to include everything mentioned in the letter I received from my right hon. friend to-day, but I have asked that every effort be made to secure that information also.

Mr. GERMAN: Will the Prime Minister lay on the table of the House the amount of capital stock that all these various companies are authorized to issue. For instance, clause 2, subsection a of the agreement says:

> Grant a first, fixed, and specific mortgage or charge upon the shares mentioned in the first part of the second schedule thereto.

Certain shares are mentioned, stock to be transferred free from prior charges. Will the Government lay on the table of the House the amount of capital stock authorized to be issued by all the companies mentioned in the first part of the second schedule?

Mr. BORDEN: A statement has just been laid upon the table of the House which sets forth the authorized capital and the issued capital of all these companies. So far as I understand this covers my hon. friend's inquiry. If it does not, I shall be glad to give any further information.

Some of the documents to which I alluded a moment ago have now arrived. I desire to lay on the table of the House correspondence including official applications for assistance and detailed statements asked for thereon by the Government showing particulars of capitalization, earnings, cost to complete, etc.

I also desire to lay on the table several corrected copies of the estimated cost of betterments. In reply to the hon. member for South Renfrew yesterday I mentioned that the item of $5,595,754 for Montreal terminals had been omitted from that statement, although it was included in the addition. The copies now laid upon the table have that correction.

I also desire to lay upon the table of the House the report of the first inspection and examination of the company's affairs made by auditors appointed by the Government. There was another, and I think a more thorough investigation, made afterwards, resulting in a more elaborate report. That will be laid upon the table of the House to-morrow.

[Mr. Borden.]

DOMINION LANDS ACT AMENDMENT.

The House again in Committee on Bill No. 136, to amend the Dominion Lands Act.—Mr. Roche. Mr. Blondin in the Chair.

Mr. W. A. BUCHANAN (Medicine Hat): The minister explained the object of his amendments when the Bill was before the House the other evening. I might go a little more fully into the matter, because I represent a district largely affected by this measure. Those who have taken up homesteads and pre-emptions in the pre-emption district in Southern Alberta find conditions very unsatisfactory; and that is one of the reasons for the demand which has been made upon the minister and the Government for a change in the Act. The crops have been unsatisfactory, and farmers have not been in a position to meet their payments. In my district, the almost general demand is that the payment shall be cancelled altogether, and petitions have been placed in my hand, and no doubt in the hands of the minister to that effect. I know that the proposed amendments are not satisfactory to a great majority of the homesteaders. The petition which has been most largely signed was prepared by the Farmers' Union at Foremost, Alberta, and it is known as the Foremost Plan. I might read it to give the House an idea of how the homesteaders feel and what they actually want:

> To the Minister of the Interior, Ottawa, Ontario:
>
> We, the undersigned pre-emption holders humbly petition the Minister of the Interior to allow proof to be made for a pre-emption at the same time as a homestead or any time thereafter, providing the necessary improvements have been made, and without payment at the time of making such proof or obtaining such patent.
>
> The Government refunding the payments of interest and principal to the original payee that have already been made on pre-empted lands, over and above the average hereinafter mentioned.
>
> The average to be struck from the total amount already paid on all pre-emptions.
>
> Such average amount to be filed against every existing pre-emption in the shape of a lien against the land, bearing interest at 5 per cent, and no further charges to be made for such pre-emptions by the Government.

I think that is the view of the majority of the homesteaders. They have been very much discouraged, and I myself know that they are not actually in a position to make any payments. I have had some letters endorsing the proposals of the minister, and some claiming that more liberal

action should be taken in regard to the provisions of this Act. One objection offered is that it enables the man with money, and who is anxious to get a patent for his land, to pay for it and get out of the country, leaving the land to lie idle. One trouble in many sections of my district is what is known as the professional homesteader who proves up and goes away, leaving the land to lie idle. Consequently, the land is not made productive and settlement is interfered with. The argument has been advanced that if the minister had made provisions whereby settlement would have been guaranteed—if, for instance, he had provided for a reduction in the cost of homesteads and pre-emptions in case of further improvements—it would have been more in the interests of the country and permanent settlement; that if more were required in regard to fencing, and the amount of cultivation, or provision made that a certain number of stock should be kept, the pre-emption fee might be reduced or abolished altogether, thereby encouraging settlement. Knowing as I do, and as most of the western members in the House do, the effect of abandoned homesteads, I believe that assistance along that line would have been of greater benefit to the country than the proposed amendments. The minister has provided for the removal of a portion of the interest. My own view is he should have gone all the way and abolished the interest for every year. If it is wise to remove the interest for a certain period, certainly it should be wise to remove it altogether; and I want to urge upon the minister and upon the Government that the interest should be removed altogether so as to give some assistance to the homesteaders in that country.

I would like to emphasize the fact that the proposed provision looks to me to be of more assistance to the man with money, who is taking up a homestead or pre-emption with the object of getting his patent in order to make a sale, and who then leaves the country, than to the man who wants to become a permanent settler. I would like to read a letter I have here giving the opinion of a homesteader who wants to remain permanently in Alberta, and who is anxious that whatever provisions are made by this Government shall be along the line of encouraging permanent settlers. He says:

> I notice in the Lethbridge Daily Herald of March 31, an article informing us that the Dominion Lands Act is about to be amended. I have read the proposed amendments through carefully, and have honestly concluded that a worse thing could not possibly happen this immediate locality than to allow those amendments to become law. The Government thought —and, I persume, honestly, that it was doing a great thing for the homesteader when it exempted him from building a $300 house and allowed him to perfect his proof with any kind of a 'shack' or 'hovel'. Whom did this benefit, and what is the result? It surely did not benefit the actual bona fide settler who wishes to make his home here, raise a family, build schools, churches, roads, bridges, and other evidences of progress and civilization, and who could not possibly live in a house that cost less than $300. The only one it could possibly help is the man that takes up a homestead on a gamble, living on it just long enough to make necessary improvements to comply with the law, and who then returns to the cities or states whence he came, leaving the homestead and 'shack' a breeding place for noxious weeds and gophers, and an eye sore to the actual settler who remained hoping to build up the country, and whose efforts will naturally enhance the value of the absentee's land. Now regarding those amendments, of what benefit are they to the locality as a whole? They will enable a number of those fellows to prove up on their pre-emptions at once, and return to the States with a title to 320 acres of land in their pockets; but the actual settler who wishes to make his permanent home here, what difference does it make to him whether he proves up on his land this year or three years hence? Regarding the amendment allowing a homesteader to have stock instead of breaking, I will say in all sincerity that 320 acres of this land will not support 24 head of cattle all the year, unless the homesteader raises grain and tame grasses; and in order to do so he has to do the breaking, anyhow. So of what use is this 'concession'?

I merely read this letter to give you the opinion of a very intelligent and representative homesteader in my district offering objections to provisions, which, in a way, will help the homesteader who is a speculator to get his land very readily, and, if he so desires, to leave the country. I want particularly to urge upon the minister that the interest should be removed entirely. If it was wise to remove it for a part of the period, it ought to be wise also to remove it altogether, and that would be of some practical assistance to the farmer. In my district, as I said before, the sentiment is that the amendment should be even more liberal, and, in order to encourage permanent settlement, if some amendments had been made to encourage improvements, and the investment of the money in the actual improvement of the land, to offset the payment made to the Government, it would have gone a long way towards encouraging settlers and homesteaders.

Mr. J. A. M. AIKINS (Brandon): Mr. Chairman, I am indebted to my hon.

friend the Minister of the Interior (Mr. Roche) for having incorporated in this Bill some provisions of the Bill which, in the earlier part of the session, I introduced. Unfortunately, being introduced by a private member, that Bill did not receive the consideration of the House. I would like the Government to take up the question of giving greater opportunities to private members to introduce Bills and carry them through regarding matters of public importance. The Government of Canada is supposed to be a Government for the benefit of the people, and, in the administration of the public domain and property, it is also supposed that it is acting for the benefit of the many and not of the few. It has not always so resulted, sometimes by design, but mainly by reason of a lack of knowledge of the present and prospective values of the lands and natural resources and a lack of foresight. The result of the policy of homesteading and pre-emption shows it has not been entirely successful. I do not mean to say that that policy should be discontinued, but it should be so carefully put into operation that it would accomplish its purpose, namely, to give land to the actual settler, who will make full use of the property and fully develop it as it should be developed. This would mean not only prosperity for the man himself, but prosperity for the country.

The total area granted in homesteads, up to the present day, according to the records of the department, is 50,100,000 acres, and for pre-emptions and purchased homesteads it is 8,400,000 acres, making a total of 58,500,000 acres granted for homesteads, pre-emptions and purchased homesteads under the Act which is being amended. The following statement will show the area under crop, according to the records of the Department of the Interior, in the year 1913, in the three prairie provinces:

Crops.	Acres.
Wheat	10,036,000
Oats	5,792,000
Barley	1,025,000
Flax	1,545,000
Other products	565,200
Total	18,963,000

If you allow one-third more for resting the land each year or for fallow, it would give a total area under cultivation of 25,284,000 acres. If to that was added one-third more of the last mentioned area for the purpose of pasture, namely, 8,428,000 acres, it gives a total area which should be properly farmed of 33,712,000 acres, or a little more than one-half of the total area granted for homesteads, pre-emptions and purchased homesteads. It falls short of that area by 24,788,000 acres, or by about two-fifths. This shows one thing very clearly, that the homesteading provisions of the Dominion Lands Act, and the regulations under it, have not accomplished the purpose for which they were intended. If we attribute the whole of the cultivated lands in these three provinces to homesteads, we find that there is about two-fifths of the homestead area not being fully used.

The intention in giving this land to the homesteader was that he would receive it and properly and continuously use and cultivate it. That is not being done. One reason why it is not being done was mentioned by the hon. member for Medicine Hat (Mr. Buchanan) when he said that there are a large number of professional homesteaders. Under the provisions of the Act, the Government has allowed a great many people to take up homesteads who are not qualified to be homesteaders because they do not know how to properly cultivate the farm. In the earlier years of the West there was a large number of remittance men, who took up homesteads with the view of getting a patent. When they received the patent they sold the property to the speculator or to a loan company by means of a mortgage and then left it. In addition, there was at one time a provision relating to second homesteading, but that has now been dropped. The result has been a comparative failure of the homestead law to accomplish the purpose for which it was intended. That failure becomes more apparent if you consider the fact that there are millions of acres outside of the land which was actually homesteaded not under cultivation. Therefore, I think that the greatest possible care should be taken respecting the provisions of the Land Act concerning homesteading, and that instead of relaxing these provisions there ought to be watchfulness to see that all the homestead conditions are complied with. I have the impression that in times past governments have been too lax in granting the lands in the Northwest, not only to settlers, but to private persons, railway companies, colonization companies, and other organizations at a nominal, or certainly inadequate, consideration. We find from the records of the department that the following grants have been made:

	Acres.
To railways	31,864,074
Sales, special grants and half-breeds	7,647,100
River lots	687,600
Sales of Indian reserves surrendered	664,600
Irrigation sales	1,052,100
University of Manitoba	150,000
Total	42,065,474

Let us say, roughly, 42,000,000 acres.

This does not include in the surveyed area and the Hudson Bay Company land, 6,779,900 acres; the school land endowment, 8,616,900 acres; Manitoba swamp lands, 1,050,000 acres; grazing leases, 3,876,800 acres. Exclusive of these there has been granted in round figures 42,000,000 acres.

We who have lived in the West know that the Government could have easily commuted in the earlier years almost all of these lands at $1 an acre; and later on at $2 an acre. But, say for $3 an acre; and if we take $3 an acre for 42,000,000 acres, it would mean $126,000,000. Calculating interest on this for a term of twenty years at three and a half per cent compounded the total cost to date to the Government if they had commuted, would be $249,813,540. I venture to say—and those who live in the West will understand that I am quite within the mark—that all that land could now easily be sold for an average of $15 an acre. There are large tracts which cannot be had now for $40 or $50 an acre. But take it at an average of $15 an acre, the total value of the land to-day would be $630,000,000. If we deduct from that $630,000,000 what it would have cost the Government to have repurchased that land or commuted for $3 an acre, and interest, namely, $249,813,540, it means a loss to Canada of $340,186,460. What could not Canada have done with that $340,000,000. But, instead of the Dominion of Canada and the people of Canada having now the benefit of that large sum the land is held by speculators or by private companies who expect to get the increased value of that land which results from the intelligence and industry of those who are holding adjoining lands.

The very same policy of lavish grants has been pursued in respect to other natural resources such as our great coal areas, gas lands, and coal oil lands. The policy that should have been adopted by the Government is the policy which is adopted by individuals who own property, to know the value of that property. Only when it knows the value of the property can it deal with it intelligently. The result of not knowing the quality and value has been that those people who do know the natural resources and their value, better than the Government officials, have speculated in these natural resources and have made millions of dollars out of them of which the people might have received the benefit. It seems to me that the policy should be adopted by the Department of the Interior and by the Government of spending some money in order to ascertain the real value of the property the Crown possesses. That policy will pay the public in the long run. If we do not do this, then individuals and corporations will reap the benefit of superior knowledge, and the people of Canada be deprived of that advantage which is their natural right.

The same may be said of our water-powers. We have in the Winnipeg river one of the greatest assets any country ever possessed. That river drains an area of 55,000 square miles. In that area is the lake
4 p.m. of the Woods, of 1,500 square miles, and Rainy lake of 330 square miles. Into the Winnipeg river flows the English river, and that river has a minimum flow of 12,000 feet per second. If it were properly regulated at the lake of the Woods and at the English river it would have a flow of 22,000 second feet. It is not, however, at present regulated. I wish to call the attention of the Minister of the Interior to the necessity of properly regulating the flow. As it is now, even without proper regulation, it may be made to develop 500,000 horse-power. Why has not that been done? There is in that river a fall of 371 feet from the lake of the Woods to lake Winnipeg, 240 feet of which fall is within the province of Manitoba and about 70 feet in the province of Ontario. There are a number of natural falls and cup basins which make it easy to develop electrical power. One of these powers on the Winnipeg river is at Point du Bois on the eastern boundary of Manitoba, and has head of 47 feet. That fall has been developed by the city of Winnipeg. The present installation is 28,000 horse-power, and the capacity of the present building is about 50,000 horse-power. The ultimate installation will be 100,000 horse-power. It has cost the city of Winnipeg to develop that power without distribution $3,780,000, and with distribution $6,000,000. Prior to the development by the city of this electrical power and the

transmission of it to the city of Winnipeg, the citizens were paying for electrical energy from steam plant 20 cents per kilowatt hour. The Winnipeg Electric Company built its hydro plant in the Pinawa channel, but maintained these high rates. The city of Winnipeg thought it proper that they should ask for offers to develop power on the Winnipeg river and transmit it to the city of Winnipeg. The result of such offers was that the Winnipeg Electric Railway Company reduced the cost of electric power from 20 cents per kilo-watt hour to about 10 cents. As another company had offered to supply the city 3,000 horse-power at $50 per horse-power per year, but demanded a monopoly of the city's streets for distribution for fifty years, that offer was refused. The city of Winnipeg thereupon built the plant at Point du Bois at a cost of $6,000,000, and it has reduced the cost of electrical power to the people of the city to about three cents per kilo-watt hour, thus saving annually to the people using power and light in Winnipeg about $500,000. The cost of that power delivered at Winnipeg is $12 per horse-power. When the full installation is made by the city it will be reduced to $10 per horse-power. The city of Winnipeg own the transformers, the right of way to Point du Bois, about 77 miles out, and over 100 miles of distributing system. All this shows what can be done with the natural resources of our country for the benefit of the people, if they are properly developed. The city of Winnipeg was able to develop that power, because it is a large community and had facilities for raising the money. If the other towns and cities in the province of Manitoba were able to raise the money as the city of Winnipeg did, and procure power cheaply, they, too, would become industrial centres. My hon. friend from Lisgar (Mr. Sharpe) knows well that if they could only get cheap power in Manitou, his city would grow rapidly; and the same thing may be said of Brandon, of Souris, of Portage la Prairie, and of other centres in Manitoba.

These water-powers belong to the Dominion of Canada, and the Dominion receives abundant funds from the West by the payment of duties by the people. Some of that large revenue ought to be expended by the Dominion for the development of the water-powers in the West, the creation of electric energy and its transmission to the cities and towns. If industrial centres were thus established in the west of Canada, the result would be a benefit to the farmers also. In their interest I suggest to the Minister of the Interior the propriety of developing these water-powers on the Winnipeg river. It is true that the late Government, through a lack of foresight, gave concessions and grants of a large number of the falls on the Winnipeg river. For instance, in 1906 the late Administration made a grant to the Mackenzie and Mann interests of a water-power on the Pinawa channel, which channel practically parallels the main channel of the Winnipeg river for about twenty-five miles. By the development of the power on the Pinawa channel—and I wish to call the attention of the Minister of the Interior to this—two other falls on the main channel have been rendered inefficient for development, because so much water is required for the use of the Mackenzie and Mann power plant in the Pinawa channel, namely, a flow of about 8,000 feet per second. The total flow is about 12,000 feet per second; so that there is a flow of only about 4,000 feet per second along the main channel of the river. Thus have been injured the two falls called the Seven Sisters falls, which cannot now be developed efficiently, unless the flow is regulated on the English river and on the lake of the Woods, so as to make it about 20,000 feet per second. Of the Seven Sisters falls, the first has a head of 34 feet, the second a head of 37 feet. If these falls had not been rendered inefficient and were properly developed, there could be produced 34,800 horse-power at the first falls, and 37,800 horse-power at the second falls.

The next fall, that on the Winnipeg river, is the Slave fall. It has a head of 26 feet, including a fall of 8 feet, on a basis of 75 per cent efficiency at an 8/10 gate, it will produce 26,600 horse-power, with a natural flow of 12,000 feet per second, and at a construction cost of $94 per horse-power. If the flow of the river is regulated on English river and the lake of the Woods, it can be made to produce 44,000 horse-power at a cost of about $84 per horse-power.

The next fall is the McArthur fall which has a head of 18 feet. On a basis of 75 per cent efficiency at an 8/10 gate, this will produce 18,400 horse-power at a cost of $123 per horse-power. If the flow is regulated, it will produce 30,700 horse-power at a cost of $97.50 per horse-power.

The next falls are the Grand du Bonnet, Little du Bonnet and Whitemud, a concession of which was made in 1910 by the last Administration to R. R. Muir. This fall has a head of 56 feet, and on a basis of

75 per cent efficiency at an 8/10 gate, it will produce 78,700 horse-power at a cost of $69 per horse-power. As a concession, however, was made to R. R. Muir, this fall has eventually got into the hands of the Winnipeg Electric Railway Company, which can develop that power now in almost any way it thinks proper under regulations which are not adequate for the protection of the public interest.

The other falls granted in 1906 are Silver falls, which with the Pine falls have a total head of 37 feet. On a basis of 75 per cent efficiency, at an 8/10 rate, they will produce 38,000 horse-power at a cost of $70 per horse-power. One fall cannot be efficiently developed without the other. In 1906 there was an agreement of sale made by the last Administration with one J. S. Cummins, of Chicago, of land where the Silver falls are located—river lot 1 and fractional west half of section 1, township 18, range 10, east 271 acres, at $250 per acre, or a total of $67,750, payable in ten annual instalments. This was made without any regulations at all respecting the development or the use of the power. The effect will be, if the agreement remains outstanding—and I wish to call the attention of the Minister of the Interior to this—that it will render inefficient the Pine falls. There therefore are left for development on the Winnipeg river only two main falls—the Slave falls and the McArthur falls. It will be to the interest of the people of the West if the Government will repossess itself of those powers which are not developed, and will develop them for the benefit of the people of the West, of the cities and towns of the West and of the farming community generally.

I wish now to refer to the regulations which are existing, in order to show that they are entirely inadequate when compared with the regulations of other countries, or with the regulations of the province of Ontario. Under the Act respecting water-powers in Ontario, it is required by paragraph 4, sub-paragraph (d):

> That the applicant 'shall furnish proof satisfactory to the minister that the said water privilege is required for the applicant's own mechanical or industrial purposes or to supply an actual or anticipated demand for power in the neighbourhood of the privilege,' and may require a deposit for the proposed development.

There are no such requirements in our Dominion regulations. Paragraph 9 of the Ontario regulations says:

> No such lease shall be granted for a longer term than twenty years, but the lessee shall have the right of renewal of such lease for two further and successive terms of ten years each upon such terms and conditions as may be agreed upon or may be fixed by the minister.

Paragraph 13 provides:

> The Lieutenant Governor may cancel, if the lessee does not comply with the requirements of the regulations.

Compare that with the Dominion regulations. Paragraph 8, sub-paragraph (a) says:

> The term of the license shall be twenty-one years, renewable for three further consecutive terms of twenty-one years each, at a fixed fee payable annually, and to be readjusted at the beginning of each term, as hereunder provided.

In other words, those powers are tied up for a period of eighty-four years under the Dominion regulations. Paragraph 8, sub-paragraph (c) provides:

> At the expiry of each term of twenty-one years the Governor in Council may, on the recommendation of the minister, order and direct that the license and any lease granted in connection therewith be cancelled: Provided that the minister shall have given at least one year's notice to the licensee of intention so to cancel.

Mr. NEELY: Will the hon. gentleman be good enough to tell me which particular part of the Bill he is discussing at the present time?

Mr. AIKINS: Paragraph 1 relates to water-powers.

Mr. NEELY: Land, I think.

Mr. AIKINS: Land and water-powers. The Dominion regulations provide for cancellation in certain cases, but not to the extent provided by the Ontario regulations. Paragraph 8, sub-paragraph (e) provides:

> That on the termination of the third renewal—that is at the end of 63 years—compensation shall be paid for the works to the amount fixed by arbitration.

The Ontario regulations provide, in paragraph 12, subsection 1:

> That at the expiry or sooner determination of the lease the water privilege shall revert to and become the property of the Crown together with all dams, weirs, tunnels, races, etc., and all buildings erected on land covered by the lease; but the lessee may remove all machinery, but if the buildings are of a suitable character for utilizing the water privilege the Hydro-Electric Commission may fix compensation.

They provide further—paragraph 12, subsection (m):

> The lease shall at all times be subject to any general regulations thereafter made by the Lieutenant Governor in Council affecting the construction and operation of works for the development of water privileges or the supply of power therefrom.

There appears to be no similar provision in the Dominion regulations.

The Ontario regulations, paragraph 12, subsection (b), may require the lessee to develop to the full capacity, and makes provision for the use by other parties than the lessee of the surplus or unused water not required by him for the purposes of his business on such terms as may be agreed upon. No such salutary provision occurs in the Dominion regulations.

The Ontario regulations, paragraph 12, subsection (d) provides that if a person desires to have power from the lessee and they cannot agree, on report by the Power Commission, the Lieutenant Governor in Council may fix the rates to be paid by the person desiring such power, and, in fixing the compensation, the commission may demand the production of books, records, verifications, etc. No such provision exists in the Dominion Regulations, nor in those regulations is there any provision that the lessee shall be obliged to furnish power to other persons or public bodies.

The Dominion regulations provide that a schedule of rates and prices to be charged to the public for the use of power shall be submitted by the licensee to the Board of Railway Commissioners for adjustment and approval before being put into effect, and that the schedule shall be readjusted and approved every seven years; but, as was pointed out, the licensee is not obliged to sell to the public that power nor is there any body provided for fixing rates for power from time to time required by the users of power.

Compare the two sets of regulations, and one can easily see which is more for the interest of the public. We know that under the Ontario regulations the Hydro-Electric Commission has done much to develop the industries of our country by procuring for it cheap power.

The only reason why this amending clause was introduced in the Act was that there should be no homesteading of any lands upon which there are water-powers or which are adjacent to water-powers and are required for their development. I think that this provision is a thoroughly suitable one. I wish again to call the attention of the Minister of the Interior to the necessity of developing those water-powers which belong to the Dominion Government, so that industries may be established in the West and so that the people of the western country may be placed in a similar position to that of the farmers of the western part of Ontario who have the benefit of home markets and established industrial centres.

Mr. OLIVER: I do not altogether agree with my hon. friend when he counsels the Government against any relaxation of homestead regulations. The duties and responsibilities of Government vary with changing conditions. While there is much to be said in favour of the general principle laid down by my hon. friend—much to be said in support of the facts as he stated them, namely, that there is a tendency on the part of the homesteaders in some cases to evade the requirements of the regulations—on the other hand, there is a necessity, under certain conditions, that the regulations should be made more reasonable. It appears to me that in this country either we must face a diminution in our rate of progress or we must make some change in the conditions relating to homesteading. I do not need to argue that notwithstanding, as my hon. friend has said, that only a small proportion of the land alienated is actually cultivated, the fact remains that it is the bringing under cultivation of that comparatively small percentage that has given Canada the progress that she has made during recent years. If there is a diminution in the rate of increase of homesteading, there must necessarily be a corresponding diminution of the rate of progress of Canada at large—industrially, commercially, financially and in the way of transportation. So, when the minister is face to face with a condition which shows a rapid and steady decrease in the number of homestead entries in our western country and a startling decrease in the number of pre-emption entries, it is his business to look around and see what he can do to meet the conditions and to recover the rate of progress that is not only desirable but absolutely necessary to the prosperity of Canada. In the answer to a question asked by myself on February 2, it was stated that in the calendar year 1911 the homestead entries were 38,585, in 1912, 35,226, and in 1913, 29,640, not including the returns from Peace River and Grand Prairie for the week ending December 31. Our pre-emption entries were 10,583 in 1911, 8,947 in 1912, and 6,483 in 1913. Our homestead entries have gone down 10,000 in two years, and our pre-emption entries have gone down very nearly 50 per cent in that time. These being the facts, I think the minister is well warranted in consider-

ing in what way he may, by relaxation of the requirements of homestead and pre-emption duties, stimulate further occupation of western lands. There is no denying that the condition exists, and that it has a very important bearing upon our progress. I have already given the figures to the House, but I take the liberty of repeating that sales of land, which amounted in 1911 to 1,406,000 acres, bringing a total of $19,122,937, have fallen to 707,149 acres, bringing $9,867,155 in the fiscal year 1913. There has been a decrease in the demand for land all along the line.

Mr. SCHAFFNER: Would not the fact that there are fewer homesteads and pre-emptions accessible now than there were a few years ago have some bearing upon what my hon. friend has said?

Mr. OLIVER: There are certainly fewer homesteads and pre-emptions available to-day than there were three years ago; that, of course, goes without saying.

Mr. SCHAFFNER: I mean near the railways; they are nearly all taken up.

Mr. OLIVER: The construction of railways has largely rendered accessible land that a few years was not accessible because of the lack of railways. There were less lands available for either homestead or pre-emption entry in 1911 than there were in 1908, but there were a great many more homestead and pre-emptions taken up in 1911 than were taken up in 1908. There is a vast country in the Northwest that is almost untouched by settlement, but to which settlement is going. The great Peace River country is available for settlement; its land is surveyed, and people are going there in thousands. I do not think, therefore, that there is any argument in the suggestion that there is not now plenty of land for people to take if they want to take it. I am prepared to maintain that the people do not want the land in the year 1914, under present conditions, as they did in the year 1911.

Mr. SCHAFFNER: What are the conditions?

Mr. OLIVER: In the first place—and I make no apology for dealing with the matter from this point of view—I think I have already established in the minds of the members of this House the fundamental importance of the question of homesteading to the welfare and progress of the whole Dominion of Canada; and, when we find that homestead and pre-emption entries are on the rapid decrease, that is a time when we can surely impress upon the House and upon the country the reason for that decrease that is so detrimental to the welfare of our country.

Mr. McKAY: When the hon. member speaks of homestead entries that were made, does he include the purchased homesteads?

Mr. OLIVER: I am just giving the return; I think they are included. At any rate, the purchased homsteads are not so numerous as to make any serious difference in the total count.

There is no doubt that first and foremost, in the years of rapid increase from 1905 to 1911 there were favourable conditions in regard to crop prices which stimulated homesteading. There was a further belief in the minds of settlers of that day that the Government of the day, in its policy and administration, had the interests of homesteaders and homesteading, the interests of the residents and cultivators of the western country, at heart, and that in the efforts they were making they could depend upon it that the Government was behind them. It need not be emphasized, as the facts have been brought forward in this House time and time again, that since our friends took office, since their views in regard to public policy have had sway, that condition has been absolutely reversed, and that to-day the homesteader of the West—the resident, the farmer—feels that he has not the sympathy and support of the Government, that he has not the advantage of a Government policy that is favourable to the success of his endeavours.

Mr. CURRIE: That is what the hon. gentleman and his followers are trying to make them think; they are discouraging them.

Mr. OLIVER: I am placing before the House a certain condition of facts which is shown in the blue book issued by the Minister of the Interior. It is for the House and the country either to take cognizance of these facts or not as they please; but the facts are there and it is not what I say or what anybody else says, it is the fact that homestead entries are decreasing and showing a continued decrease showing that people do not want the land of the western country as they did under former circumstances. That is not a matter of argument; it is a matter of fact, and I am taking the opportunity to place before the House and the country and the Government the tremendous responsibility that rests upon the Government in adherence to the policy

which they have enunciated in this House from time to time since they took office.

Mr. W. H. SHARPE: In what way has this Government reversed the policy against the farmer of western Canada?

Mr. OLIVER: My hon. friend knows that in the elections of 1911—

Mr. SHARPE: But you carried on the Government before that.

Mr. OLIVER: The Government of the day administered the affairs of the West to the satisfaction of the people of the West.

Mr. SHARPE: How have we changed that?

Mr. OLIVER: My hon. friend has changed it in this way, that he has not changed his policy or his administration to meet the change of conditions. As long as prices were high and were going up, a condition of facts existed that called for a certain administration; but when prices were going down a different administration was required, and that is where there is a lack of confidence to-day. When there is a falling of prices in the West, instead of means being taken by this Government, as were taken by their predecessors, to improve conditions, the demand for an open market has been turned down specifically and repeatedly in this House by the Government and its supporters, including my hon. friend.

Mr. AIKINS: Wherein is there any difference between the policy of the late Administration prior to 1911 and the policy of the present Administration relating to homesteading?

Mr. OLIVER: I will deal with the homesteads later. I am dealing now with the trade question, with the general question of the prosperity and welfare of the country; and I say that this Government has taken a stand, ever since it has been in office, which has created a distrust and dissatisfaction in the minds of the people who are on the land in the western country that is reflected in the conditions of homesteading as shown by the return from the Government itself. I say therefore that the Government must accept on behalf of its policy the results which are shown there and be responsible for the necessary consequences and results of that policy to the country.

Now, as to the administration of the land. I shall not weary the House or burden it with details, but the first act of this Government when it took office was to practically make a clean sweep of the land administration throughout those western provinces and establish, from beginning to end, an absolutely political administration, a political organization absolutely for political purposes. The facts have been placed before the House repeatedly. It is not necessary, at least at this late date in the session, to go into details. We have the facts, homestead inspectors canvassing for votes along with candidates of the Conservative party, homestead inspectors tried for intimidating voters in their positions as homestead inspectors.

Mr. SCHAFFNER: Is that anything new?

Mr. OLIVER: I am apoligizing for repeating it, but to round out the argument I wish to do so. It is a fact that a homestead inspector named Ambrose Grey was himself a candidate in the Alberta elections. He is to-day homestead inspector. I need not multiply instances; there are plenty of them. From Winnipeg to the Rocky mountains they have established a political organization in control of the heritage of the people of this country. They have established a reign of terror among the homesteaders on the prairie, and the result is reflected in the returns as you see them here. I am not young in that country; I have been there a long time. I have seen several changes of Government, and the very model of the administration that has taken place since this Government came into power is the Administration that prevailed from 1878 to 1896, with the result that in 1896 there were a few less homesteads taken up than in 1878. We had twenty years of absolute stagnation in that country as a result of the methods that our hon. friends opposite installed the moment they took office, and which they have carried on consistently ever since. They cannot blame Providence; they cannot blame circumstances for conditions that they themselves have absolutely created, and for which they are immediately and directly responsible. If this country, to-day, is suffering from a condition of stagnation so far as western progress is concerned—and western progress means eastern progress as every man in this House knows,

and as most men in eastern Canada are beginning to thoroughly understand—it has resulted from the policy of the Government, and the Government must take full responsibility for it. The stagnation of western Canada means the stagnation of the whole of Canada.

Mr. WRIGHT: My hon. friend is criticising the homestead inspectors and the officials. I would ask him if he can name a single inspector who was removed from office by the present Government who had not been proved to be a violent partisan under the late Administration.

Mr. OLIVER: Most undoubtedly. Some time ago I asked for a return in regard to officials removed in my district, and the return showed that there was not even a suggestion of partisanship against the dismissed officials.

Mr. WRIGHT: Have you the names?

Mr. OLIVER: Yes: Gordon Macdonald is one; Peter Tompkin is another. They made a general accusation against the latter, but there was absolutely no evidence of partisanship, and no investigation was held. In the other cases there was no pretense of removal because of political partisanship. These removals were made for the purpose of appointing political partisans in order to establish a party organization in the prairie provinces at the cost of the people of Canada. That party organization is at work to-day. It has established a reign of terror amongst the homesteaders with the result that homestead and pre-emption entries have decreased, and the minister has to come forward and suggest relaxation of the conditions in order, as he hopes, to stimulate further interest. I hope he will be successful.

Mr. WRIGHT: I would like to say that travelling through that northwestern country I met man after man who told me, when I asked which party he supported, that he was supporting the Liberal party simply because he could never hope to get a patent without supporting that party.

Mr. OLIVER: I am sorry for my hon. friend in the kind of people he associated with when in the West. I do not believe they were a fair sample of the people of that country. The number of patents that were issued during the time that the Liberal Government was in power is evidence that the suggestions of my hon. friend are not in accordance with the facts.

Mr. BORDEN: I would like to tell my hon. friend that grave complaint has been made to me many times during the past few years, that in large sections of the prairie provinces the people are still under the impression that the hon. member for Edmonton is Minister of the Interior.

Mr. OLIVER: I have the same complaint to make myself, I regret to say. I receive many appeals for consideration from one man and another.

Mr. BORDEN: If they imagine that there is a reign of terror, they must be attributing it to my hon. friend.

Mr. OLIVER: Some of them, no doubt, do. Judging by the letters I receive, there are people who fully believe that the Government with which I was associated is responsible for the conditions they complain of; but that is not my fault, nor does it vitiate the argument I make. In the majority of cases the homesteaders are well aware of the change. Whether one Government is in their minds or another, the fact remains that they do not want land to-day as they did three years ago; and one of the reasons is that they believe they do not get a square deal from the Department of the Interior to-day. That is the essential point. My point is that the yearly increase in the number of homestead and pre-emption entries under the stringent conditions that were imposed by the late Government—purposely stringent—is good evidence that the people were satisfied with the administration of the Department of the Interior, just as the fact that the demands for land are on the decrease is evidence that, to-day, they are not satisfied with the conditions that cause them to dispose of the land, or with the conditions under which they can obtain land.

Mr. GEORGE E. FOSTER: How does my hon. friend explain that from 1906 to 1908 there was an almost exactly similar decrease in homestead entries? Are the reasons that he gives to-day good reasons for that decrease, or what is the reason?

Mr. OLIVER: That is a matter that may very well call for explanation. The reason is this: before I became minister, my predecessor was doing just exactly as my hon. friend proposes to do now. He was administering under very lax regulations in order to stimulate entries, and one of those regulations was the right of proxy entry. Any person might make entry on behalf of a number of people in Ontario, or the Mari-

time provinces, or the States, so that when these people came out to the West their land would be already selected. That was a perfectly good proposal so long as there was not an abnormal demand for land. But as soon as speculative conditions entered into it the privilege was seriously abused, and the practice of blanketing homesteads took place. One man would come in and blanket a whole township with entries, and dispose of those entries to his friends at an advantage. We found that privilege so much abused that we were compelled to cut it out, and while I was Minister of the Interior I had to turn loose the whole homestead inspection staff, all over the West, in order to wipe out the blanket entries that had been made for speculative purposes rather than for settlement. The large number of entries in 1906, or whatever year it was, was when the blanketing had reached its maximum. The hon. Minister will remember that the matter was discussed in the House. The cutting out of that practice accounts for the tremendous drop that took place in the number of entries immediately afterwards. Entries shortly afterwards began to steadily increase, as the returns show. If we are to maintain the rate of progress that we have had in the past, I say that the conditions certainly call for a change in some way.

I find no fault with the minister for making the changes along the lines that he has suggested. I do not agree with him altogether in the details of the changes, but I find no fault with him for making them. Under the present conditions it is necessary to do something and this is possibly one of the things that may be done. But the trouble is wider and deeper than that; it is the political administration of the Lands Department and the Government's fiscal and trade policy that retards the progress and welfare of the people of that western country.

Mr. KNOWLES: The present Minister of the Interior (Mr. Roche) has now been in office, I think, a year. It has been of great interest to those of us who represent thousands and scores of thousands living on the prairies to make a study of the policy which he proposed to adopt and the line of action which he proposed to direct his employees to follow. My first expectation and belief in regard to what the minister would set himself out to do was that he would endeavour to give the people a square deal. I have taken the trouble, in two or three instances, to test the minister and as far as the cases have enabled me to succeed, I have been disappointed in what I have learned in regard to the minister's control of his officials. About a month ago, in this Chamber, I called attention to the way in which homestead inspectors spent their time during the provincial elections of 1912 and I showed the minister that homestead inspectors were going out for as long as ten days at a time without making any inspections at all. I also showed that this was connived at and that such actions were never rebuked. They did not seem to phase the minister in the slightest. He seemed to be of the opinion that officials at election time were perfectly at liberty to spend week after week doing nothing for their salaries except running up their expenses. If there was nothing else to convince me that the minister was failing to take that personal interest in the administration of his department in the West that his duty would require him to take this one circumstance would be sufficient.

The minister is, in the last resort, the hope and confidence of the homesteader on the prairie. The minister is bound, amongst his lower officials, unless he weeds them out carefully to have in his service a great many people who have not honesty enough to give the homesteader a square deal. There are a number of party heelers in every party. There are undercurrents and motives, even of the smallest kind, which affect the administration of the law, and unless at the top of the department there is a man whom the under officials fear, some of these officials will be corrupt and will persecute the poor homesteaders on the land. In the last resort, while I do not think that, even unfortunate as has been my experience, the minister personally would initiate anything that was wrong, yet it is the duty of the minister not only to be straight himself but in a stringent way to compel straightness and honesty in the people who serve under him. Unless the minister asserts his authority over his subordinates and sees that right is done he is derelict in regard to the trust that is reposed in him.

It is a very serious thing for the minister to sit calmly in his office and say: Well, Mr. Cuttle, my man out West, says so and so should get the homestead, then put his O.K. on the file and let it go. The homestead, after all, is the most precious thing that the man on the prairie has. It is the one hope that the man, his wife and children have in their lives, and it is as precious to that constituent of mine as the home of the Prime Minister in the city of Ottawa.

It is just as hard a thing for that homesteader, his wife and his children, to be turned out on the concession line in Saskatchewan as it would be for the Prime Minister to be turned out of his home in Ottawa. There is no difference in principle and it is just as unjust to turn the homesteader out of his homestead on the prairie as it would be to turn the rich man or the professional man out of his home in the city. Until the minister realizes that he is the custodian and guardian of the rights and hearths of these people the minister will fail to realize the responsibility that is placed upon him.

I called the minister's attention by a long telegram last fall to a case which called for investigation on his part. I wired him, stating the case and telling him that a great wrong was being done. I got an answer from his secretary, or some employee of the department, saying that the minister was in Winnipeg and that the wire would be forwarded to him. I never heard another word about it, directly or indirectly, until I brought it up in this House. I moved for the papers when I got down here although it was early in September that the telegram had been sent. I followed the case up and insisted that an investigation be held. The minister directed that an investigation should take place. The evidence was taken and the facts that I am going to show are established not only by the evidence but by the return which the minister has brought down. I shall try to show that in that case the minister, speaking of him as a minister of the Crown, is just as responsible for the injustice done to that man as if he were the man who had initiated the wrong. I asked for the papers. I found that a man by the name of J. N. Beaubien had held the homestead to which I refer, six miles from Gravelbourg, ever since 1907 and that there is no evidence of one day's residence during that time. This return to which I refer, No. 110H, was brought down on March 19, 1914, and there are affidavits of some six or seven persons showing that this man, Beaubien, had, during all these years, lived with his family over his butcher shop, in the town, or village, of Gravelbourg. On the same file there is the affidavit of Beaubien himself saying, on two different occasions, that all the time he had lived on the homestead with his family. Beaubien I neither know nor know not in the way of desiring to say anything about him. He is a mere pawn upon the chess board to-day. I have met him. He was a Liberal—a fawning, sycophantic, favour-asking Liberal, such an uninfluential fellow that no man would consider it worth while to refer to him with the slightest personal feeling. My hon. friend the Minister of the Interior has him now, but he will find that his support is not worth having. He was a supporter of mine up to the last election; at the present time he is a supporter of the Prime Minister. As far as I know, he and creatures like him, are of no use to any party and we are fortunate in having lost him. He always should have been a Tory. The declaration of Beaubien is held to be false by the finding and the report of Mr. Cuttle himself who held the investigation. In the return which the minister brought down, page 7, Beaubien makes the following false statement:

For what period did your wife and family reside with you during such residence? If not with you, where have they resided?

The answer is as follows:

On the homestead all the time, always with me.

I shall show before I am through that in this investigation Beaubien himself said that his wife had not lived with him but had been keeping a boarding house over his butcher shop in the town of Gravelbourg.

He is askeed at page 77 of this return:

Q. What actual residence have you since performed—(if the period of residence is not continuous state the months or portions of months in each year)?

A. From May 29, 1907 to May 31, 1910, except during December, 1908, and from May 31, 1910, practically to date.

That is shown later to be an absolute falsehood. At page 47 of the return, Beaubien repeats this false evidence. He is asked:

Q. What actual residence have you since performed?

A. Practically the whole time since.

Q. For what period have your wife and family resided with you during such residence?

A. All the time.

If the minister looked into this as it was his duty to do when I called his attention to it, he would have found that this was an absolute falsehood. To start with, he has given that homestead to a perjurer and the minister will not dare to say that there is the slightest evidence of truthfulness in that statement, and Mr. Cuttle who was the tool of the heelers in that district says he was not in good standing when the man Arguin got the entry. There is no debating whatever about it, the minister will not

say that there is the slightest element of truth in it.

Mr. MORPHY: Do you contend that perjury having been proven the minister should not cancel?

Mr. KNOWLES: Under the late Government it was the custom when men made false statements about their homesteads to call them to account very sharply. There were quite a number of prosecutions for perjury. It is the only way in which the public could be protected. I fancy that under this Government there have been some prosecutions also, but the minister will know about that better than I. If a person deliberately makes a false statement as to his residence duty I would have no hesitation in answering that his entry should be cancelled. On pages 62, 63, 70 and 73 of this same return there are statements of people who say that all the time Beaubien with his family had been residing in the village of Gravelbourg.

The department, on the 22nd of February, 1912 (page 67 of this return), ordered that the homestead inspector's report be received in this matter. Arguin's application for cancellation proceedings was first taken on the 10th of November, 1911. The inspector's report was ordered the 22nd of February, 1912, and this report was not made until September 14, seven months later. Everything was done to protect this man to the very fullest extent, the seven months' delay proving the same as an interim protection for him. The provincial elections were on, and the inspectors no doubt were busy at other places, although there is evidence that the inspector was on several occasions in the vicinity of this homestead. On page 59 of the return we have the homestead inspector's report, which is false as false can be, and it is simply an indication to the minister of the kind of homestead inspectors he has landed on him. He is asked:

Q. What residence has been performed?

And he says:

From May 29, 1910 to November 30, 1911, and is now in residence.

5 p.m. The statement that he was then in residence, the evidence shows to be false. Arguin, the applicant for cancellation, continued seeking redress from the minister and he wrote to the minister personally on different occasions, as will be found by the return, pages 54 and 40. There were almost supplicating letters from Arguin for a square deal. Things dragged on throughout all that year, and the man Beaubien was protected until December, 1912. Then, for over a year cancellation proceedings had been hanging fire. He then, without any reason at all so far as the file shows, had been given further gratuitous protection until April 1, and here we come to the important part of it. On December 28, the department wrote to Arguin the following letter:

Ottawa, December 28, 1912.

N.E. ¼ 22-11-5 W. 3rd M.

Sir,—I beg to acknowledge the receipt of your letter dated the 10th instant, in reference to the cancellation proceedings instituted on your behalf against the pre-emption entry of Jos. N. Beaubien for the above land, and in reply to say that under the general rule of the department cancellations are deferred until the 1st April, 1913.

However, it will be necessary for Mr. Beaubien, by the date mentioned, to satisfy the local agent at Moosejaw that he is in residence with the intention of remaining there and completing the duties; otherwise the agent will cancel his entry without further notice and you will be given an opportunity to re-enter for the land.

Your obedient servant,

F. Nelson,

for Assistant Secretary.

Joseph W. Arguin, Esq.,
Gravelbourg, Sask.

The same kind of letter was sent to Beaubien, and the same kind of letter was sent to the agent. The 1st of April, 1913, came around and it was practically a year and a half after cancellation proceedings had been under way. Arguin then sought on the 1st of April, 1913, to make his entry. Beaubien was not in residence. He did not comply with his requirement to satisfy the agent, as he was told that he was in residence, and according to the letter that was written from Ottawa his entry should have been ipso facto cancelled. I want to call the attention of the minister to another part of the political influence in this. Did the agent cancel it as he was instructed in the letter of the 28th of December? When Arguin sought to get his entry on the 1st of April as he was promised it would be cancelled, they refused it and the agent instead wrote back to Ottawa for instructions. That was a subterfuge, it was playing the game of Beaubien. The department wrote back and said: You are to follow the instructions of the letter of the 28th December, 1912, and cancel the entry. And then, unwillingly and reluctantly, the agent cancelled the entry and Arguin got entry for the land. That was what he had been seeking, and that was the proper thing to do but even if it rested there, there would still be

complaint on Arguin's part because he had been kept a year and a half out of the homestead. But Beaubien got busy. The file does not tell what he did. Rumour said he saw the minister himself, personally, when in Moosejaw; rumour has it that in an upper room apart by themselves, secretly by night, Beaubien and his friends gathered to see the minister and that they were told it would be all right and that Beaubien would get the homestead back. I do not know about that rumour, but I know they saw the minister; and I know they placed it before him, and I know the result, namely, that he gave Beaubien back the entry.

Mr. ROCHE: Where was this supposed to have taken place?

Mr. KNOWLES: The geographical location of it is a matter of indifference. Beaubien did not tell me the location of it, but he boasted everywhere in Gravelbourg that he had such a pull with the Government that the minister would be compelled to give the homestead back to him. I know that the minister, while in the West, was seen on behalf of Beaubien and I know further that he gave Beaubien back the homestead. There is not the slightest scintilla of evidence to show that the entry of Beaubien was wrongfully cancelled. It was the proper thing to cancel Beaubien's entry it would have been the proper thing to cancel it a year before it was cancelled. Just because Beaubien comes along with his political heelers and gets after the homestead inspector, after Mr. Cuttle, after the land agent, after the minister himself, the entry of Arguin is cancelled and the homestead is given back to Beaubien. There was absolutely no justification for doing so. I do not know of another case where a man has rightfully obtained entry, as Arguin obtained his entry, and then has had his homestead taken away from him just because of political influence. Mr. Beaubien was in default and his homestead entry was rightfully cancelled; but the excuse was made that he was in Winnipeg—he had not told the land agent that he was going—with his wife who had to undergo a slight operation on her throat in the Winnipeg hospital, and the minister drove Arguin and his wife and children off the homestead and gave it back to Beaubien, although Arguin was rightfully in possession of the land. An investigation was held, but everybody in Gravelbourg believed and said that it was a cut-and-dried matter that Beaubien would get back his homestead. I was West when the investigation was held and I told the investigators to stay their judgment because I had some doubts as to whether the Minister of the Interior would after all permit his political heelers to do a wrong like that to Arguin.

Evidence was taken at the investigation. I do not intend to weary the House by reading it, but I am going to refer to a few pages of it. Mr. Cuttle held the investigation in Gravelbourg. I do not know him, but I know that he has done a raw and heartless thing that the so-called thin-red-line Leach would never have done. Under the circumstances I think we had better nickname this man cut-throat Cuttle. If the present Minister of Public Works had been in charge of the Department of the Interior, then I believe this would never have happened, because he has a kind heart and does not believe in seeing men with their wives and children turned out on the road and deprived of their homes wrongfully; and I believe he would have looked into the matter a little more carefully than the Minister of the Interior has done. Cuttle has shown the spirit of a cut-throat in the wrong he has done. When the investigation was held, Mr. Cuttle made Arguin's lawyer prove his case; he made him start with every witness, and Beaubien's lawyer would not allow him to lead the witnesses, although in this case it was surely up to Beaubien to show why he should be restored. Arguin had got rightful entry, and Beaubien had been cancelled rightfully, but from start to finish Arguin's lawyer had to examine every witness first. There is the evidence of twelve witnesses, every one of whom says that Mr. Beaubien was living, as far as the witness knew, in the town of Gravelbourg. Two of these witnesses were bank managers, who for two or three years had lived right opposite Beaubien in the town of Gravelbourg, and who swore that, as far as they knew, Beaubien was living with his family at his butchershop and his boarding-house in the town. The minister knows that, if a man is going to carry on business in a town, he must have his wife and children living on the homestead. Beaubien did not even sleep on his homestead; but, even if he had done so, it would not have been putting in residence, because a man carrying on business in a town must have his family on the homestead. Under that rule a single man cannot earn his homestead if he is carrying on business in a town.

I wish to refer especially to the following witnesses: Mr. Dureault, at page 16

of the evidence; Mr. Gray, manager of the Union Bank of Canada in Gravelbourg, page 22; Mr. Magee, manager of the Bank of Toronto in Gravelbourg, page 30; Mr. Hamlin, telegraph operator, who has been in Gravelbourg for three years, page 33; Mr. Dubinsson, one of the witnesses and friends of Mr. Beaubien himself, page 51. All the evidence was to the effect that Mr. Beaubien had not put in any residence duties at all. Long after Arguin had been placed in possession of the land, some affidavits were put in by certain friends of Beaubien to cover his entry to the effect that the residence duties had been performed. They were merely general statements, nobody daring to give the dates or to say that Beaubien's wife had ever lived anywhere except in the town of Gravelbourg. In fact it was regarded as a joke in the town to say that Beaubien's family were living on the homestead, because they were not doing so. There is nothing at all in these affidavits except general statements to make a sort of cushion on which Beaubien might be let down.

After the evidence was taken, Mr. Cuttle made the only report he could, namely that Beaubien was in default. The first part of his letter to the department states who appeared as counsel and so on. Mr. Cuttle further says:

> While I am of the opinion that Mr. Beaubien has not performed bona fide residence duties for his pre-emption entry, I feel that, as Mr. Beaubien was protected until April 1 to go into residence, it should be taken into account the serious illness of his wife. The evidence is quite clear that Mr. Beaubien left with his wife for the Winnipeg hospital about March 24, and did not return to Gravelbourg until April 5, and while he was absent his land was cancelled. I am not prepared to say that Mr. Beaubien would have been in residence if his wife had not taken sick, but I think he should be given the benefit of the doubt.

If you are going to cancel a man's homestead in the West just because a former entrant who has held it for four years and has not done anything on it, happens to be in Winnipeg because his wife is undergoing an operation at the time that his last extension runs out, no man in the West will be able to feel sure of his entry. Mr. Beaubien swore in the evidence that he did not want the land himself, because he had lots of land. In his evidence on page 116 he said that he wanted it only for his son. Mr. Beaubien is a rich man. Mr. Cuttle, in a letter of his to the department trying to get the thing straightened out at an earlier stage of the game, said that Beaubien was a very influential man in the town of Gravelbourg. In another letter he says that the witnesses of Mr. Beaubien, are very influential. If that be true, it demonstrates the necessity of the minister protecting the poor man as against the rich man. If he be a butcher, a storekeeper or a man in any business—not the kind of person who would likely be a bona fide settler—the duty of the minister is all the more apparent. This reference of Mr. Cuttle to Mr. Beaubien being an influential man may be found on pages 29 and 30 of the return brought down by the minister.

The lawyer who defended Beaubien is a prominent Conservative. In the same rig they drove twenty-eight or thirty miles from Gravelbourg after the hearing was over. I wish to make no reflection upon my brother lawyer of the city of Moosejaw who acted as cousel, but I do say that the gentleman who acted as judge should have kept more to himself if he were desirous of listening only to the evidence. Mr. Cuttle's report was sent to the department and came before Mr. Cory, the deputy minister. I will say this for Mr. Cory: he recommended the confirming of Beaubien's entry only because Mr. Cuttle himself recommended it. He says in his memorandum:

> As Mr. Cuttle inquired personally into this matter, I think that he should be considered as being in a better position than any one else to judge of the respective merits of each claim and I beg, therefore to recommend that Beaubien's entry be confirmed.

The matter comes before the minister, and the minister, by putting 'O.K., W.J.R.' upon the files, drives Arguin off his quarter-section and gives the land to this Tory heeler Beaubien. That was a fatal thing for the minister to do; it was a great wrong. Mr. Cuttle himself says that Beaubien was not in good standing. Well, says the minister, if he is not in good standing, give the entry to his son. For nine years I have been giving most of my time to the service of my constituents, and I know something about homesteads. I know that a father cannot transfer his homestead to his son while there is application for cancellation against him; his entry must be in good standing before he can do so. If it were determined that this outlandish wrong should be done, the minister should have said to Beaubien: get into residence for thirty days; put yourself in good standing, and you can

abandon the pre-emption in favour of your son. According to the evidence, Beaubien had not been in residence for many years; yet, with cancellation proceedings against him, he was allowed to abandon the quarter-section in favour of his son. If I had no other ground for argument, I would rest my case upon that point. In view of the fact that the man was in bad standing, if the minister would not give the land to the applicant for cancellation, the least he could do would be to protect the man until he got his land in good standing. The rules were absolutely violated when Mr. Arguin's application for cancellation was brushed aside and Mr. Beaubien's son given the homestead.

Either the minister has read this file and knows that what I say is true, or he has not. I do not believe the minister could read this evidence and come to the conclusion that the department was justified in cancelling Arguin's entry and putting Beaubien back on the land; I rather think that he never studied the files. But even though I take that charitable view of the matter, in view of the actions of the crowd of Tory heelers who are operating out West, I will have to give to the thousands of homesteaders whom I represent the message that no man is safe on his home on the prairie uness he appeases the desires of the Tory wolves who are trying to get his land. That statement I make on my responsibility as a member of this House. The only source of protection for the homesteader is the hon. minister, and if the minister fails to do his duty the homesteader will be left at the mercy of the unprincipled men who do such wrongs as those to which I have referred.

Mr. ROCHE: I have not before me the original file of the department in connection with this case; I got a copy of it as soon as the hon. member started to speak, and I have not, therefore, summed up the evidence. I did not think that a discussion of this kind would arise on a Bill to amend the Dominion Lands Act. This whole matter was gone into when the Estimates were up, and no doubt it will be taken up a third time when the Estimates are up again. I may say that I have had no reason to change the views which I expressed in my statement of the case when the hon. gentleman brought the matter up the first time.

Mr. KNOWLES: The investigation was held since.

Mr. ROCHE: Nothing that took place in connection with the investigation has changed my mind with regard to the recommendation originally made by the inspector of land agencies, which was confirmed by him after the holding of this sworn investigation.

Mr. Beaubien was in possession of this land for some years; he had a homestead and a pre-emption. He had his residence on the homestead and he discharged his duties, so far as cultivation is concerned, beyond question. The hon. gentleman himself does not deny that he more than carried out the provisions of the law, in order to prove up his patent. As a matter of fact he has brought into cultivation 115 acres, almost the entire quarter-section. There is a question as to whether he has lived up to the residential part of his duties, but one would imagine from the remarks of the hon. gentleman this afternoon that this case has no parallel in the history of the West. To my personal knowledge, in years gone by Liberals in my home town conducted their business and went out to their homesteads three or four nights a week in order to qualify for their patent. This kind of residence was passed upon and approved in countless instances by Liberal Ministers of the Interior.

Mr. KNOWLES: Was that under the present regulations, or under regulations which permitted it?

Mr. ROCHE: The regulations did not permit it at that time; it was not a question of the regulations being different from what they are to-day. In the West the manner in which Liberals were enabled to secure patents with practically no residence upon the land was a by-word among the people. Yet the hon. gentleman gets up and endeavours to make political capital against the minister and the Government because the gentleman in question conducted a business in the town, where a portion of his family resided, notwithstanding the fact that he performed his other homestead duties in a satisfactory manner. Were the Liberals in power I am sure that, having regard to the homestead duties which this man performed, he would, if of the required political faith, have at once been granted the patent. As a matter of fact, this gentleman had protection to the first day of April, in accordance with a general order which was issued last December. A great many bachelors who reside on their pre-emptions are desirous of going out during the cold winter months and earning something in the woods, and the

greatest leniency has been extended to them by this Government during the last two or three years with a view to giving them an opportunity to go out during the winter to earn money which they may expend upon their lands when the period of protection has closed.

All homesteads were protected by order of the department up to the 1st of April. It is true that before the 1st of April this gentleman had to go to a Winnipeg hospital with his wife and during his absence overlooked the fact that he should have notified the land agent of the district that he was going to be absent. But, as a matter of fact, his own evidence shows that when he went to Winnipeg he expected to be back before the 1st of April.

Mr. KNOWLES: Where does the minister find that he was required to tell the agent that he was going away? The edict of the department was that he must be there in residence.

Mr. ROCHE: An order of protection is issued and if the homesteader is not able to go in residence at the time that the protection ceases he is supposed to give to the land agent the reasons why he could not go on the land, and if these reasons are looked upon by the agent as sufficient he is further protected. This gentleman was advised by his wife's physician in Winnipeg that if he stayed a few days longer his wife could return with him. He did so. During his absence this man Arguin stepped in and cancelled his homestead entry.

Mr. KNOWLES: No, he cancelled it a year and a half before, and in September all parties were told that it would be permanently cancelled on the 1st of April unless the man proved his residence. But your agent would not cancel it; he flim-flammed around and sent it to Ottawa again.

Mr. ROCHE: There is no flim-flamming about it. The hon. gentleman is carried away by his political bias and cannot lay the true facts before the House.

Mr. KNOWLES: That is not it; I have a little humanity.

Mr. ROCHE: This man returned and when he returned his place had been entered for during his absence. He therefore made application to have his entry reinstated and there was an investigation, not under oath, not a court case, held by Mr. Cuttle, who reported that as Beaubien had done so much and showed such evidence of being a bona fide homesteader by cultivating so much land, Beaubien should be reinstated under the circumstances, and accordingly his entry was reinstated. The hon. member for Moosejaw speaks about rumour stating that in some dark room in some place in the West this man Beaubien had a secret conference with myself and that I there pledged myself to restore his entry and that he had such a pull, to use the hon. member's own words, with the minister that no matter what defence was put in by Arguin he was going to get the land.

Mr. KNOWLES: I did not say rumour. I made the statement that this man or his friends saw the minister and interfered on behalf of Beaubien.

Mr. ROCHE: The hon. member said, at night time, in some room, in secret. All of that is absolutely untrue because it was in Moosejaw that I saw the man. I went into Moosejaw early and left at two o'clock in the afternoon. I met many friends while I was there, a luncheon was tendered to me and after the luncheon, when I had only a few minutes to catch the train, Beaubien, with a deputation, saw me. I did not have five minutes conversation with them and I promised investigation; and on the strength of the telegram that the hon. gentleman himself sent here in my absence I asked that this entry should be held up until the investigation was made. Still the hon. member accuses me of political bias and says I would not extend him the ordinary courtesy of a reply. I held up Beaubien's entry and got some very severe letters in regard to it from Beaubien's friends because he fully expected that he was going to get his land, that he was justified after the report of the inspector of land agencies. The investigation has now been held at the instance of the hon. gentleman. I have not had time to go over all the evidence since coming into the House, although I have read it before. The hon. gentleman says there is not one tittle of evidence to show that a day's residence was performed.

Mr. KNOWLES: Bona fide residence, I make that statement.

Mr. ROCHE: And Arguin himself in his evidence, at page 35, when cross-questioned by the lawyer was asked:

> Would you say under oath that Beaubien never put in more than six or seven weeks on his homestead?
>
> A. Never had any knowledge that he done more.

This is the man who wanted the land, and in the face of that the hon. member gets up and says that there is not a tittle of evidence to show that Beaubien ever put in a single day of residence and Arguin himself says that not to his knowledge did he ever put in more than seven weeks.

Mr. KNOWLES. Would the minister hang a cat on that? In the first place, Arguin does not know what official residence is, he must have had his family there.

Mr. ROCHE: The hon. gentleman is speaking about the evidence.

Mr. KNOWLES: That is not evidence. Arguin does not know what residence is and it is only a negative statement. He says: I do not know. He does not say that he stayed there seven weeks.

Mr. ROCHE: If the hon. gentleman is going to exclude a portion of this evidence that is not in accordance with his own views and state that is no evidence, it is no use arguing with a gentleman of that bias.

Mr. KNOWLES. The minister must not say that. I say that Arguin does not say that the man had stayed seven weeks. He said he did not stay more.

Mr. ROCHE: I think it is unworthy of the hon. member to try to hang his hat on such a peg. All of these parties, more than twelve of them, gave evidence to the effect that this gentleman had not put in any bona fide residence whatever, says the member for Moosejaw.

Mr. KNOWLES: I did not say that. I said that as far as I knew his home had been in Gravelbourg.

Mr. ROCHE: He is taking back now a good deal of what he stated. In fact I am afraid that when on his feet the hon. member really states things that in his calmer moments he would regret. Some of these witnesses, when cross questioned, admitted that they could not swear whether this man had been on his farm or not. One of the gentlemen referred is Levasseur. This was his total examination:

Q. You are living on a farm, Mr. Levasseur?
A. Yes, sir.
Q. How far from Beaubien's place?
A. Two miles.
Q. Do you remember Mr. Beaubien being in residence there since 1910?
A. I used to stay home and he lived two miles from me.
Q. Had you occasion to go by the place?
A. No.
Q. Then you could not tell me whether he lived there or not?
A. No.

That is the total examination of one of the witnesses for Arguin and still the hon. member quotes this man as one of the witnesses to bear out the statement of Arguin in regard to Beaubien's residence. From the evidence of other witnesses I could quote much the same all the way through if I wanted to take up the time of the House, but I think I have quoted sufficient to impress at least the fair minded members that the hon. gentleman exceeded his duties entirely in drawing upon his imagination rather than relying on the facts as stated in this report of the investigation. He states that the deputy minister really approved of this and recommended it because it was recommended by Cuttle, the inspector of agencies, who conducted the investigation, was on the ground and was in a better position to judge than we are here. I do not desire to screen myself behind any officials of the department. I realize my responsibility as head of the department; but, at the same time not knowing the details myself, having had an investigation conducted by a gentleman in whose impartiality honour and integrity I have every confidence, notwithstanding the scurrilous names applied to him by the hon. member for Moosejaw to-day in a manner that was unworthy of the hon. gentleman, when the deputy minister coincided in the view of the commissioner that no matter what doubt there might be as to the completeness of Beaubien's residence under the circumstances it would be a shame—that in effect is their report—to drive Beaubien from the land, I concurred in that decision.

I notice that he tried to make a point by stating that this cold-hearted man had driven Arguin, with his wife and family, out on the concession lines. Now, Arguin's own residence, where he had been living all the time previous to going over to Beaubien's farm, was only on the adjoining quarter-section, so he had not far to go to reach his home. As soon as Beaubien went away Arguin seized the opportunity, left his own home on the adjoining quarter-section, and moved over to Beaubien's, though the land laws did not require him to do so. Residence on the adjoining quarter-section was all that was necessary in order to secure a patent for this pre-emption, but in order to qualify a little more strongly, he moved over to Beaubien's pre-emption. When Arguin was turned out, as the hon. member states he was, he was at perfect liberty to go into residence on his own farm as heretofore. Mr. Beaubien had upwards of 115

acres under cultivation, and, having given the evidence he had as to the reasons for his absence, the department considered that sufficient to reinstate him in his entry, which they accordingly did; and I do not think any impartial member in this House or anybody in the country would condemn the Government for restoring that entry after all that cultivation had been done, and after he had performed his duties as to fencing and residence—although perhaps he did not live on the homestead all the time with his family; he did not say he did so. Although the hon. gentleman stated that there was not a tittle of evidence as to this man's bona fide residence, he afterwards referred to the fact that Beaubien had sworn that he was in residence, and the hon. member said that Beaubien's evidence was false; in other words, that it meant nothing at all. There were other affidavits sent in, prior to this investigation, by friends of Beaubien—gentlemen of repute in Gravelbourg who went to prove that Beaubien was in actual residence on his land. The hon. gentleman ignores that, but the department cannot afford to ignore it. Certainly somebody has been telling an untruth, but at any rate a great many of those witnesses on whom the hon. gentleman is relying, when cross-examined, could not swear that Beaubien did not reside on his farm, and in view of that we thought —and thought justly—that Beaubien's entry should be restored. I do not think our action has created any irritation in that part of the country except perhaps amongst some hard-headed Liberal friends of hon. gentlemen opposite. The general public, so far as my knowledge goes, believe that the man who should be in possession of the land is now in possession of it. The hon. member also made a point about Beaubien's handing the land over to his son. That is not at all contrary to the land laws. When Beaubien's entry was restored, the effect of that was to terminate the cancellation proceedings. His entry was in good standing, and he had a perfect right to transfer it to his son who was about to leave for Montana to take up land. He naturally desired to keep his son in the neighbourhood, and therefore transferred his land to him. That is a matter of almost every-day occurrence, and is quite in accordance with the regulations of the department. It is something that I think should be encouraged. When a father has sufficient land of his own to set up his sons, I do not see any harm in his doing that. I do not wish to take up the time of the House in dealing with this matter any further because, after all, I realize that it is not a case that should be discussed here on amendments to the Land Act. Grievances like this should be brought up when we are in Supply. This grievance was aired on one occasion when my Estimates were before the House, and I think the hon. gentleman might have waited till the Estimates came up again, and not have blocked the passing of legislation that is bound to be—at least I think so—in the interests of the western farmers. Other statements have been made by hon. gentlemen opposite. The hon. member for Medicine Hat spoke about receiving petitions to the effect that the holders of pre-emptions desired to get their land absolutely free like their homesteads. A number of those petitions came into the department, also petitions of quite a different character. As I stated when I moved the second reading of this Bill the other evening, representations of various kinds have been made to me. One proposal was to refund the interest that had been paid. It is an involved question and a very important one, and after giving it my very best consideration, I came to the conclusion that the Government could not come down to Parliament and ask for the refunding of this money, paid in whole or in part, which would run up to over $2,000,000. I thought that was an unreasonable request, and, under the circumstances, I thought the best I could do would be to recommend that the three years' interest should for the future be thrown off. That was the first request made to me by the holders of pre-emptions when I was out in the West last summer; but their requests have gradually become more drastic in character, I came to the conclusion that inasmuch as a man could qualify for his homestead at the end of three years, and while the present law provides that he shall be charged interest on his pre-emption for the first three years—though he is not allowed to pay any portion of interest or principal—that it was only right that the farmers should be relieved of interest during those three years. The member for Medicine Hat, I understand, was in favour of shortening up the time within which pre-emption patents could be secured. That is another request that has been made to the department, and I have endeavoured to meet the wishes of those who were desirous

of getting their pre-emption patents at the same time as the homestead patents. I know the hardships they are labouring under out there. It may have been a questionable proceeding to have ever instituted this pre-emption area; in fact, a great many people now resident in the West say that it was a mistake to have ever allowed pre emptions. Much of that land is not fit for cultivation. In some portions—perhaps a limited area—once the sod is turned up you cannot get even grass to grow. It is only fit for ranching, and I think that land like that should never have been thrown open for pre-emptions. I agree with the farmers who take exception to the large pre-emption area which has been created, by reason of the fact that much of that land has been represented to me as not fit for cultivation at all, and as only suitable for grazing. It would be no use imposing additional cultivation on those farmers, as the hon. member for Medicine Hat suggested. Before they get the pre-emption patent they have to cultivate fifty acres more than in the case of a homestead. This Bill provides that they may prove up for their pre-emptions at the end of three years, or as soon thereafter as they can pay for the pre-emption (less the interest, for the three years), and have done the necessary residential and cultivation duties. I think that is as long a step as we can take at the present time. The hon. gentleman also quoted from a letter which he received from a gentleman who took exception to shortening up the time in which they could prove up. This gentleman insisted on a longer residence as otherwise the land holders were likely to return to the United States. I do not think there is any likelihood of that. We have to compete just now with the United States land laws, which have recently been considerably relaxed. They are striving to get our people over there by allowing them what they call 'enlarged' homesteads of 320 acres, whereas formerly only 160 acres were allowed. They are also stipulating for three years' residence instead of five, as formerly. I think I am therefore justified in bringing in this Bill to relax the existing regulations in our pre-emption area. Far from having received complaints in regard to this Bill, I have received numerous letters quite to the contrary. Far from complaints coming to the department regarding this proposed Bill, I have received numerous letters to the contrary. One enthusiastic pre-emption holder has written to me that after perusing the provisions of the Bill he would not want one word changed. He said that it was suitable to the holders of pre-emptions in the West. There may be differences of opinion and there may be petitions as the hon. gentleman states, but on the whole I think that the Bill will give fairly general satisfaction. In regard to what the hon. member from Edmonton (Mr. Oliver) has stated about the desirability of changing our land laws to meet the changed conditions, all I have to say is that I agree with him and that is the reason I am introducing this Bill, but when he answered the very cogent question put to him by my hon. friend the Minister of Trade and Commerce (Mr. Foster) as to how he explained the falling off in the number of homestead entries from 1906 to 1908, I did not take very much stock in the explanation that he gave, namely, that it was by reason of the fact of one man being allowed to blanket a number of entries. From 1902 to 1903 the entries dropped by 5,000. I am sure that my hon. friend from Edmonton would be the last to claim that this decline was due to the actions of the Government of those days. In two years' time, between 1906 and 1908 the number of homestead entries fell off more than they have fallen off in the last two years. They fell off to the extent of 11,450. I do not attribute it to the blanketing process which my hon. friend states was in existence for some years. But I rather attribute it, and I am charitable enough to give the late Government the benefit of this opinion, to the very same considerations that have caused the homestead entries to fall off in the last two years. In times of financial stringency, we have a lessening of business credit and activity, of necessity agricultural developments will be held in check, just the same as industrial development, and during those two years there were some 10,000 less homestead entries than there were in 1911. History is repeating itself. How do those conditions differ from those of 1906 to 1908? At that time there was, as I have said, a considerable falling off in the number of homestead entries. The falling off in the last two years is not due to any inherent policy on the part of the present Government because there has not been any departure with regard to the land laws up to the present time. The people of Europe, the British Isles and on the American side of the boundary are not aware of any terrorizing process that may have been going on

here before they have come to the country to make their homestead entries. It is useless to attribute to the homestead inspectors or to any officials of the Department of the Interior the falling off in the number of homestead entries.

I am not going to enter into any acrimonious political discussion in regard to the various actions of the homestead and other inspectors of the Government in connection with elections, but I desire to give my personal experience of the officials of the late Government and I do not know that conditions differed from those which were found in my own constituency. Well do I remember that I was contesting my seat against the Liberal homestead inspector who had resigned his position shortly before nomination day in order to contest the seat against me and he used his position in the interval to secure the political support at a certain poll of a large section of foreigners who did not know the law of the land and who were terrorized into casting their votes in favour of my opponent. A homestead inspector was there and he herded these foreigners in a room where a supporter of mine heard everything that took place and this inspector told them that if they desired to get their patents for their homesteads they would have to vote for my political opponent. They lined up next day under the auspices of this homestead inspector who was at the poll, assisted by a gentleman sent out by the Immigration Department from Winnipeg. This latter gentleman was not allowed at the poll because he went out on the train on Saturday. A warrant was out for his arrest for bribery in another constituency and a policeman was sent to escort him back to the city of Winnipeg.

Mr. OLIVER: Hear, hear.

Mr. ROCHE: Yes, that is right: they found him on Sunday morning as he was starting out to do his peculiar work. He was arrested and it transpired that he had $600 in two-dollar bills in his pocket. The remark he made to the policeman who arrested him was: 'fifteen minutes more, and I would have been in the bush and you would never have found me.' This was the man who was utilizing his position to terrorize the foreign element, who had just come to the country, and who were not acquainted with our laws.

Mr. OLIVER: Was he terrorizing them with two-dollar bills?

Mr. ROCHE: He did not get a chance, because the officers took the money from him and kept it under lock and key until after election day. He did not have time to get it in circulation.

Mr. OLIVER: Was he scaring them badly?

Mr. ROCHE: No, they were not scared by that. But it showed the estimate placed on the purchasable vote when they divided this money up into two-dollar bills. There was another gentleman, a mounted policeman, sent out from the city of Regina. I am sorry that the right hon. leader of the Opposition (Sir Wilfrid Laurier) is not in his place. That right hon. gentleman, when the fact was brought to his attention, denied that there were any mounted policemen in connection with the Department of the Interior, but I proved to his own satisfaction that there were certain mounted policemen associated with the forestry branch of the Department of the Interior. This gentleman, who was sent out by the then Minister of the Interior, took his position at the door of the polling booth, wearing his side arms in order to terrorize the people who had come from countries where compulsory military service was in vogue, and to convince them that if they did not vote against myself there would be military conscription in this country.

After the arrest on Sunday in Winnipeg of the gentleman to whom I have referred, a telegram was sent on Monday to the Yorkton office and another interpreter came down to take the place of the man who had been taken into custody. He stood at the door of the poll with two other officials of the Government, and by reason of the efforts of these Government officials the result of the vote cast in that one poll was 112 for my opponent and eight for your humble servant. I give this as an instance, not to justify anything that might be wrong in connection with the officials of the present Government, but to show how badly it comes from a member of the late Government to accuse the homestead inspectors and officials of the Government of terrorizing the people in the West. Terrorism—they do not know the meaning of the term.

Mr. KNOWLES: They are learning it.

Mr. ROCHE: I hope they do learn it in some respects, at any rate, not that I admit that there is any terrorizing done. The gentlemen who have been accused of terrorizing have no reason to claim that

they have not been informed as to what their duties are. I have pointed out to them their duties, and I have told them that the department will not tolerate any activity in elections. At the same time, I think it is only fair to say, that the charges which have been made on the floor of this House have been refuted by these men. I do not mean to take up the time of the House in order to go any more lengthily into that phase of the question, but I just wish to say a word in regard to the charges which are being made about the departure from the past policy. There is a departure from the past policy but it is a departure for the better. The homestead inspectors are doing their duty and they are making thousands and thousands more inspections than were made by the homestead inspectors when the Liberals were in power.

Mr. KNOWLES: Not at election times.

Mr. ROCHE: Yes, at all times.

Mr. KNOWLES: Does the minister ever read their diaries?

Mr. ROCHE: No, I have not read their diaries, but I have read the reports of their inspections. They state that there are so many demands in connection with proving on homesteads that there are not sufficient homestead inspectors to keep up with the work.

In reply to the remarks of my hon. friend from Brandon (Mr. Aikins) about water-powers, I may tell him that I realize the importance of that branch of the department. There is a very great deal of force indeed in what the hon. gentleman has stated. The Winnipeg river is a river of vast water-powers, and it is the intention of the Government to conserve them. The hon. gentleman may have been a little misled in regard to the water-powers that still remain vested in the Crown. My information from the head official of that branch is that at least fifty per cent of the available water-powers on that river are still vested in the Crown, and those that were alienated were not alienated by this Government, but by the preceding Government. It is a question as to whether we are prepared to go in for Government ownership and operation of water-powers. I do not know whether we are that far advanced; I do not think we are at the present time, but I can see the propriety and the wisdom of conserving these powers and not allowing them to get into private hands for exploitation. I can assure hon. gentlemen that at the present time all the powers on the Winnipeg river are reserved and will not be disposed of. There have of course been applications from private capitalists for these water-powers, with stipulations that they would erect pulp mills of large capacity on that river. But, after consulting Judge Robson, the Utility Commissioner for Manitoba appointed by the provincial Government, who is opposed to the alienation of any of these water-powers, I thought it wise to carry out his recommendation.

I trust that this Bill shall receive the sympathetic consideration of hon. gentlemen. I do not wish to encourage any debate that would lead us away from the due consideration of its various provisions, but I felt called upon to defend myself when such serious accusations were made against the management of the department as were made this afternoon.

At six o'clock the committee took recess.

The committee resumed at eight o'clock, Mr. Blain in the Chair.

Mr. KNOWLES: Before the House rose at six o'clock my hon. friend the Minister of the Interior had replied to some extent to the arguments which I had made with regard to the Gravelbourg homestead. The minister then proceeded to discuss the general merits of his Bill, and I had not an opportunity to reply before these other remarks had intervened. I had purposely refrained from taking up the time of the committee in the way of quoting evidence; but my hon. friend the minister went out of his way to quote some of the evidence, and I do not propose to allow it to stand as he has put it, namely: that the evidence has failed to establish what I have stated. Therefore I purpose putting on 'Hansard' a few references and exact quotations from the evidence to show that what I have said is correct.

My hon. friend in the first place referred to the witness who said that he could not swear that Mr. Beaubien was not on his homestead at any certain date. The weakness of my hon. friend's case is manifest in such an argument because it is impossible to establish a negative of this kind. The witness in question, whose name is Levasseur, was able to say only that he had lived in Gravelbourg, and that Mr. Beaubien lived there also. On cross-examination he, of course, could not state any certain date on which he was in Gravelbourg, and he could not swear to any certain date on which Beaubien was not on the homestead. All that he could do, and all that any of these witnesses could

do, was to establish that the home of Mr. Beaubien and his family was in Gravelbourg during the years to which I have referred. On page 4 of the evidence, in the examination of this same witness, there appear the following question and answer:

Q. As far as you know, he lived there?
A. Yes sir, in the village.

No man living can prove that any one is in default in his homestead duties if he has to give the day and the date; but reputable citizens swore that Mr. Beaubien, to their certain knowledge, had his permanent home in the town.

Mr. HENDERSON: I submit that the hon. gentleman is not speaking to the question before the House. He is entirely out of order, and we may as well proceed to discuss this Bill. We might keep on all night discussing matters that are not relevant, and I think it would be just as well if you, Sir, would hold the hon. gentleman down to the question before the House.

The CHAIRMAN: I hope the hon. member for Moosejaw will confine his remarks as much as possible to the Bill.

Mr. MICHAEL CLARK: The point of order is very badly taken at this moment. Possibly it would have been a good time to take it when my hon. friend originally introduced the question; but, the question having been introduced and discussed very fully by my hon. friend from Moosejaw, and having been replied to equally fully by the Minister of the Interior, it seems to me that the point of order is taken a little tardily, to say the least. My hon. friend is a little slow in his movements.

Mr. HENDERSON: The hon. member from Moosejaw having discussed the question so fully and the minister having replied, our duty is to proceed with the discussion of the Bill. I am not asking that any privileges be taken away from the hon. member for Moosejaw or from the hon. Minister of the Interior. They have both had their say. I rather think the point raised by my hon. friend from Red Deer is not well taken.

Mr. MICHAEL CLARK: I am perfectly sure my hon. friend from Halton will be as dispassionate as myself in a desire to arrive at correct conclusions. I wish to submit to his extremely lucid and impartial intellect the statement that the hon. member from Moosejaw is at present engaged in

stating that the hon. Minister of the Interior has quoted parts of certain evidence. The hon. member for Moosejaw goes on to state that other parts of the evidence, not quoted by the Minister of the Interior, go to contradict the parts of the evidence that have been quoted by the Minister of the Interior. I submit to my hon. friend from Halton the consideration that he and I, having this desire to bring a lucid and dispassionate consideration to the full evidence, are bound to allow my hon. friend from Moosejaw to quote the evidence which he says absolutely refutes and disproves the evidence already quoted by the Minister of the Interior.

Mr. HENDERSON: And neither had anything to do with the question.

Mr. BURNHAM: Is it possible to discuss the point of order without permission from the Chair?

Mr. MICHAEL CLARK: Always in order, I understand.

The CHAIRMAN: I think it is always in order for any member to rise to a point of order, and discussion is allowed.

Mr. KNOWLES: When I first rose, I intended to refer to a few portions of the evidence, but now I intend to refer to more of it. If my hon. friend from Halton wastes much more of my time, I will perhaps read the whole business.

Mr. HENDERSON: I rise to a point of order. I certainly was not wasting the time of the hon. member for Moosejaw. I rose to a question that I had a perfect right to rise to, and my hon. friend has no right to charge me with interfering with his time. The fact of the matter is that he is interfering with the time of the House.

Mr. KNOWLES: I rise to a point of order. There is no point of order before the House. I have the floor.

Mr. HENDERSON: I rose to a point of order on account of the reference that the hon. member for Moosejaw made to myself. When I get through with that, then the hon. member will have the floor. I did not understand, Mr. Chairman, that you had decided that the hon. member for Moosejaw could discuss whether the moon was made of green cheese or any other question outside of that before the House. I submit that the hon. member should confine himself to the question and that you, Sir, should ask him to do so.

The CHAIRMAN: I have already asked the hon. member for Moosejaw to confine his remarks to the Bill. I hope that the hon. gentlemen taking part in this discussion will assist the Chair in keeping order and expediting business.

Mr. KNOWLES: I take your request in all kindness, Mr. Chairman, but I do not think it is needed. The first reference which I wish to make is to page 15 of the evidence, where Mr. Dureault distinctly says that Mr. Beaubien's residence was in Gravelbourg. I quote the following from Mr. Dureault's evidence:

Q. You are acquainted with Mr. J. N. Beaubien?—A. Yes.
Q. Where does he live?—A. In town.
Q. The town of Gravelbourg?—A. Yes, sir.
Q. Does he live in the town of Gravelbourg with his family?—A. Yes, sir.
Q. How many years have you been carrying on a business in the town of Gravelbourg? A. Two years in May.
Q. During the time you have carried on your business in Gravelbourg was Mr. Beaubien also carrying on business?—A. Yes, sir.
Q. During all the time?—A. Yes, sir.
Q. His family resided with him in town?—A. Yes, sir.
Q. Can you see from your own place the house or place of business of Mr. Beaubien? —A. Yes, sir.

This merchant, who lived just across the street, testified that Mr. Beaubien carried on business in Gravelbourg and that he lived there with his family. On page 20 the following evidence is given by Mr. Gray manager of the Union Bank of Canada at Gravelbourg:

Q. You are manager of the Union bank in Gravelbourg?—A. Yes.
Q. How long have you been there?—A. Three years—going on three years.

Turning to page 22 we find the following:

Q. She has been residing there ever since you have been in Gravelbourg?—A. That I cannot say. To the best of my knowledge and belief they have.

In a small place like Gravelbourg everybody knows where everybody else lives, and this evidence that to the best of the witness's knowledge and belief Mrs. Beaubien had been doing business there is sufficiently conclusive.

On page 30 Mr. McKay, manager of the Bank of Toronto, gives the following evidence:

Q. You know Mrs. Beaubien and the children?—A. Yes, sir.
Q. And you lived just across the street?—A Yes, sir.
Q. And you are in a position to say that while you were in Gravelbourg Mr. Beaubien and his family lived just across the street?—Yes, sir.

The evidence of Mr. Hamlin, Government telegraph operator, employed by the Department of Public Works, may be found on page 33. I quote the following:

Q. How long have you been here?—A. I have been here three years at the end of this month or at the end of May.
Q. During that time he kept a boarding house in Gravelbourg—any other business?—A. A store and a butcher shop.
Q. During all that time were you boarding at his place?—A. Yes, sir.
Q. Who was the housekeeper and who looked after the table?—A. Mr. Beaubien's daughters and Mrs. Beaubien, as far as I know.
Q. Mr. Beaubien and his family lived in the village at the boarding house?—A. As far as I know, yes sir.

This is the evidence of a telegraph operator who boarded at that very house, and had been in Gravelbourg for three years. My hon. friend endeavoured to produce as evidence of Mr. Beaubien's having been in residence the fact that one of his witnesses would not swear that for three years he had not resided seven weeks each year on his homestead. The minister can produce no other case where such residence has been regarded as sufficient. I did not say that there was evidence that Beaubien had never lived on his homestead; I did say that there was no evidence of his bona fide residence upon it. A bona fide homesteader is one who lives on the homestead with his wife and children. The facts are so indisputably uncontradicted that the efforts of Beaubien to prove that he did live upon the land with his wife and family show that he is a falsifier. I repeat what I have already said: that the minister gave the homestead to a man who could not show that he was entitled to it, and in so doing he committed a great injustice.

The minister dwelt upon the fact that Arguin resided on the quarter-section. He went there because he had so little faith in the minister's officers that he wanted to establish his position beyond peradventure and to get into residence on the quarter-section. Time after time, in writing to the minister, Arguin said that it was doubtful whether he would be able to secure a square deal, and that he was afraid that there would be false reports. Such a report was made by a man named Erratt. Let me say, in passing, that Mr. Cuttle never called on Beaubien to give a single bit of evidence; Beaubien himself had to be called by Arguin. The whole burden of proving the negative was put upon Arguin,

and, even with that burden, the merits of the case are entirely on his side. At page 102 Mr. Beaubien is asked:

Q. Do you know Mr. W. H. Erratt who used to be homestead inspector?
A. Yes, I know him, I remember him.
Q. Did you go to your land with him?
A. Yes, I came up from Moosejaw with him.

The fact is that he went to Moosejaw, got the homestead inspector and brought him to the homestead to make this partisan report. The inspector who, at the beck and call of political tools, drives 80 miles to a homestead for the purpose of doing special inspection work, and then reports, the evidence to the contrary notwithstanding, that the man has been in residence; that inspector is neglecting his legitimate duties and subjecting himself to the undue influence of the person for whom he makes such a report. This condition of affairs, on the face of it, is indicative of improper relationship between this politcal tool and the homestead inspector. If the former Minister of the Interior, the hon. member for Edmonton, had been in office and this matter had come to his knowledge, the homestead inspector would have had a very short shrift for his position.

Mr. McKAY: At the time of the taking of the evidence from which my hon. friend is quoting, who was in possession?

Mr. KNOWLES: Arguin.

Mr. CURRIE: Beaubien owned the land in the first place, as I understand it, and this man Arguin was what they call a claim jumper. I have been in camps where he would have been shot on sight for jumping another man's property.

Mr. KNOWLES: My hon. friend has yet a great deal to learn. What he calls claim jumpers are among our best citizens.

Mr. CURRIE: I have no doubt about that.

Mr. KNOWLES: I do not think the minister will contradict me when I say that one-half of our homesteaders are claim jumpers. I think that is correct that they have entered for homestead which they have secured in the same way as Arguin has secured this by applying to have cancellation proceedings commenced. Tens of thousands of the best citizens we have, and my hon. friend, without knowing anything about it, goes out of his way to cast a slur on them.

[Mr. Knowles.]

Mr. CURRIE: The only case of this kind that came to my notice was that of a gentleman who was taken ill with typhoid and his wife took him to the hospital. The time expired while he was in the hospital, and they lost the house and farm and the labour of years. I consider that if such a law is relaxed a little in case of sickness or disability to be on the land, there is nothing wrong with it; but I have not much use for a man who has lots of property for himself and a homestead of his own who tries to jump another man's claim.

Mr. KNOWLES: My hon. friend should not be so harsh on this man, because he does not know much about it. My hon. friend is quite at sea in the matter.

Mr. CURRIE: I am looking at the ethical side of it.

Mr. KNOWLES: My hon. friend will take my word for it that he is wrong. In conclusion, I would call attention to the fact that there was an improper relationship between Erratt and Beaubien. I think the minister will agree that when we were able to establish out of the mouth of Beaubien himself that he went in to Moosejaw and brought out the homestead inspector, we have established a prima facie case for suspicion. The minister argues that because Beaubien was cancelled and Arguin entered and then Arguin cancelled and Beaubien restored, that wiped out and abandoned the cancellation proceedings. The minister should be careful in what he says. Will he lay it down as a departmental ruling that an application for cancellation is to be removed because it has been successful and then its success has been taken away from the man? Will he lay it down as a departmental ruling that I can get my homestead in good standing by allowing cancellation to go through and then have the cancellation withdrawn, and that I will then be better off than I was before? The minister cannot mean that. If there was a new entry and another $10 paid, it might be a different matter. Surely all that was done was that Arguin was cancelled and there was a restoration to the original condition of affairs. I cannot believe the minister is serious in saying that in restoring Beaubien there was, ipso facto, an abandonment of the cancellation proceedings. If that is so, if things were restored to their former conditions, then the cancellation proceedings were outstanding

against Beaubien until he put himself in good standing by doing at least thirty days' residence, and according to the law of Canada he could not be allowed to abandon in favour of his son. There is no need to labour that point, it is too clear. Somebody has slipped there in his anxiety to help out Beaubien the better and put this poor fellow on the street, and has overlooked the fact that all the restoration did was to restore things to their former position. The Postmaster General was not here when I stated that Beaubien said he saw him about this matter in Moosejaw last summer. Does the minister remember seeing a man named Beaubien who spoke about a homestead this summer?

Mr. PELLETIER: Put your question in writing and I will think over it.

Mr. KNOWLES: I dare say he did see the minister. I do not know whether he came to Ottawa and saw the Prime Minister or not, but he seems to have looked after the Cabinet pretty well. I do not say it is because of that fact, but the result is that the man has the land. Let me tell the minister that his administration has become in very bad odour out there. I have not said anything against Cuttle other than what I find in this file. The minister has brought out a great many general charges about Liberals. In the first place that has nothing to do with this matter and he has not the record. I have the record here for what I have to say and it is this we are concerned with. The minister is asking us to change his Dominion Lands Act and we want, before we entrust him with other powers and a new condition of affairs, to tell him what we think of his management of western lands under the present law. There is a growing want of confidence in the honesty and integrity of the administration of the lands in the West. The minister has had homestead inspectors who were a disgrace to the department. He has had to fire many of them. He has had land agents whom he has had to fire because they played the game too coarsely. Do not let him think that I am talking about something that does not exist. I have 130,000 or 140,000 constituents. I say that I believe on my soul their ownership of their homesteads is not safe and that they are not getting a square deal in the homestead office at Moosejaw. I made my charge against Beaubien and I proved it and I may have more definite charges to make about officials in the land office and how good money looks to them before I am through. If the minister thinks that everything is going on well in the West he is in a fool's paradise. The people do not think it. The homestead inspectors are not doing their work. We have one man there who was appointed homestead inspector. He hung around for a while and then they wanted him to do some work. He said: why, I worked before the elections, you do not expect me to work now do you? By and by he quit because they insisted on his doing some work. The people are not getting any service at all. When I read to the minister the diaries of men who go for ten days without doing anything he must know that they are not doing their work. I have here a letter from a poor fellow who has been trying to get $160 refunded on his improvements. Such a refund would be everything to him, more than $50,000 to the minister. He has applied for an order to get the money, the minister's instructions have been out for nearly a year to get the homestead inspector to make a report on these improvements so that the man could get the money. I put the question on the Order Paper: When was an inspection ordered? The answer was that it was ordered on the 5th of April, 1913, and on the 23rd of April of this year there had been no inspection. Question No. 5 was: Has the homestead inspector's report been received? The minister's answer was:

A. No. The land is situated north of the south Saskatchewan river and the homestead inspector recently explained that on account of weather and the state of the roads it has been practically impossible to do any work in that country for some time, but that he would make his report as soon after first of the month as weather and roads would permit.

On the same file in regard to the same man there are three letters signed by the minister. Here is one last summer saying: I am writing to have the inspector make a report. The inspectors treat the minister like a nonentity, saying that the weather is bad and the roads are bad. They reply to the minister: when we get good roads we will go and inspect. The man wrote finally to the minister and got a reply on the 27th of October. He was honoured with an autograph signature of the minister.

My dear Sir,—I am in receipt of your letter of the 15th instant, with regard to the improvements placed by you on the S.W. ¼ of 3,23,12, W. 3rd meridian, when you held entry for the same.

In reply I beg to say that instructions were given on the 3rd instant, to have a homestead inspector make a careful valuation of the improvements placed on this land by you, and in view of your recent communication, further instructions have now been given to have

this valuation made at the earliest possible date. As soon as the inspector's report is received you will be further advised.

Yours faithfully,
W. J. ROCHE.

I must say to the credit of the minister that his mistake as to the date mentioned in this letter was unintentional. The minister states that instructions were given on the 3rd inst. What he should have said was that instructions were given several months ago; they were given away back in May, nearly six months before he wrote this letter. I come to another letter dated January 23, 1914—no homestead inspector's report yet.

My dear Sir,—I am in receipt of your letter of the 15th instant, with regard to the south west ¼ of section 3, township 23, range 12, west of the 3rd meridian.

In reply, I regret very much that you have suffered any inconvenience on account of the delay in the department in dealing with this case, but I may assure you that most explicit instructions have been given to have the homestead inspector make the required report at once, and also that the report is to be forwarded here as soon as made. When this report is received in the department your request will be dealt with as promptly as possible, and you will be fully advised as to what action the department can take.

Yours faithfully,
W. J. Roche.

H. R. McVeigh, Esq.,
Outlook, Sask.

Is it not remarkable that any member of the Government can wait as calmly in his office at Ottawa as the minister did from October till the 23rd of January of the following year, after having given explicit instructions for a report to be made at once? But that was not all. This man wrote and re-wrote, and on February 10 the minister sent him the following letter:

My dear Sir,—I beg to acknowledge receipt of your letter of the 3rd instant, in which you point out that you have not been advised of the decision of the department in regard to the south west ¼ of section 3, township 3, range 12, west of the 3rd Meridian.

In reply, I beg to inform you that the homestead inspector's report has not as yet been received. I am wiring the agent to have the matter attended to at once.

Yours faithfully,
W. J. Roche.

Is not that a funny way to serve the people of Canada? After reading all the pathetic letters this man wrote, the minister's heart was touched, and he sent him $50 to keep him from starving, although the man was entitled to $145 or $165, I forget which. Fancy a minister of the Crown taking such disobedience from his Homestead Inspector, and writing such letters saying 'I assure you I have given explicit instructions,' etc. The minister might just as well have written: I am doing the best I can, but the homestead inspector tells me to go plumb to the mischief; for that is what it amounts to. Imagine a homestead inspector saying to the minister: When the weather is pleasant and the roads are nice I will go out and make the report, but till then you can hold your horses. It is time the minister put his foot down and let his homestead inspectors know he is boss; let them realize that they are there to do their work honestly and not for political purposes; that their duty is to serve the men that are making that country and Canada —not the men on the patronage list or friends of the Government, but the man behind the pair of oxen breaking up the sod on the homestead; and that they are not appointed to send back silly answers to the minister, after a year has gone by, that when the weather is pleasant and the roads are nice they will make a report. I care not how honest the minister may be in his own mind, he must take the responsibility, and my message to my constituents is that they have very little to hope for from the minister and the Government of Canada, and from the lazy political heelers landed in those Government jobs in Saskatchewan.

Mr. OLIVER: I just want to speak for a minute or two along the line my hon. friend from Moosejaw has taken. I have made the statement that the administration of the Department of the Interior is not conducive to the development of the country, and I just want to give one instance. Hitherto the practice has been to sell land which has been withdrawn from reservation by auction after public notice. This case relates to the southeast quarter of 16-25-5-W., 5th meridian, which is just a little west of Calgary. I will give a brief sketch of the return which was brought down relating to that piece of land. On April 21, 1902, C. E. Sibbald applied to enter for this land. He was informed that the land was under reservation as a water reserve. Some years passed, and finally the country around was fairly well settled. During the late Administration there were several applications for entry for this particular section. On January 15, 1908. Mr. J. A. W. Fraser was informed by myself, when he applied for homestead rights, that the land would have to be sold by auction. On January 24, 1908, Mr.

Pereira wrote another applicant, called McDougal, that the land when withdrawn would be sold by auction. On July 15, 1911, an order was issued by the department to have the land inspected for withdrawal. Apparently the inspector did not make the inspection, and on April 9, 1912—when this Government was in power—Mr. Pereira repeated the order for inspection, and said that Fraser was pressing for an answer. On April 15, 1912, Charles Grayson, a homestead inspector, recommended withdrawal; and on May 10, 1912, Pereira writes Fraser, the latest applicant, that the land when withdrawn would be sold by auction. On November 16, 1912, F. Nelson, for the department, writes the Dominion Lands agent at Calgary ordering an inspection for valuation. On December 26, 1912, Inspector W. Tempany reports that the land is worth $5 an acre. On February 19, 1913, Mr. N. O. Coté writes Fraser giving authority to purchase at $5 an acre; one-quarter down, balance in three equal annual instalments. That is a case, if the value of the land were the same, on all fours with the Donaldson homestead. The land was under reservation. The practice of the department, and the regulations, require that whenever land is withdrawn from the reservation it should be offered for sale at public auction—the reason being obvious. If the land is under reservation nobody has the opportunity to acquire it; when it is withdrawn, everybody should have an equal opportunity to acquire it. However, Fraser was able to make interest with the department just as Mr. Donaldson was, and the land was withdrawn and sold to him at a valuation. His neighbours were just as much entitled to the opportunity of acquiring this land as he was, but they were cut out from that opportunity, and, as I say, that is altogether contrary to the former practice of the department and is an entirely improper practice. A similar instance occurred in the town of Gimli on lake Winnipeg. A piece of land was under reservation there for many years, and finally—I think it was within the past year—it was withdrawn and sold at a valuation to the then mayor of the town. It is useless to suggest that this is done in a fair spirit, or that it is giving every one a fair chance. It is just a matter of political favouritism. When the idea of political favouritism dominates the administration of the department a condition is created that is detrimental to the well-being of the settler of the western country and of all Canada.

Mr. ROCHE: The hon. gentleman, who has been a Minister of the Crown himself, knows how unusual it is to bring up cases of this nature when a Bill is before the House. It is impossible for any minister to have his memory charged with all the information in reference to these cases of which he gets no notice whatever. He knows that it has been the practice, when Estimates are up, to bring up anything of this nature and discuss it and he also knows that it has not been the practice to bring up these matters on a public Bill which is engaging the attention of the House. I am quite well aware of the fact that stock-watering reserves, when they are withdrawn, when they are no longer required for stock-watering purposes, are offered for sale at auction. There is no regulation to that effect but that has been the practice and, I may say, a practice which was departed from by the hon. gentleman himself when he was the minister. One or two cases were presented to me during the hon. gentleman's administration in which he departed from that practice. I do not know about these cases to which he has called my attention. I could not say from recollection whether they have been brought to my notice or not. Very likely they were disposed of by the department, as other cases are disposed of. I do not know whether they occurred while I was minister, but I cannot be expected to have my memory charged with the details of everything that has taken place in a vast department like the Department of the Interior. I shall be glad to inform myself on this subject and give all the information possible at the proper time.

Mr. OLIVER: I was not bringing the question before the House for the purpose of obtaining a reconsideration of the matter. I made a broad, general statement in regard to the administration of the Act and I thought it due to the House and to the minister that I should give absolute evidence of the facts as I stated them. I am not bringing it up for the purpose of getting a readjustment. I am bringing it up to establish the point that the administration is an administration of political favouritism and not an administration in the interests of the settler or the people.

Mr. BRADBURY: If the hon. gentleman has been so guilty himself such a statement surely comes with bad grace from him.

Mr. OLIVER: I was minister for a number of years. My hon. friend (Mr. Bradbury) was in opposition during those years, and any transgressions of mine were surely open for the consideration of the House at that time and are open yet if it is thought worth while to take up the time of the House in considering them. I laid down a definite principle when I was administering the affairs of the department, and I laid it down in print, made it absolutely public, and if I transgress from that I will have to take the responsibility and discredit of it. When I was administering the affairs of the department, and until I ceased to administer the affairs of the department, the records and results show that the people concerned were satisfied. They must have been satisfied or there would not have been the enormous amount of settlement which took place. Just as soon as the Government and system of administration changed the progress of settlement was checked. It is not an act of Providence, it is not a matter of chance, it is an actual and necessary result of the change in method of administration.

The CHAIRMAN: Shall section 1 be adopted?

Mr. OLIVER: I wish to point out to the minister that section 1 as it is now drawn, is not in a shape that conveys to the ordinary man its intent and meaning. Instead of setting out on the face of the section what it is intended to mean, reference is made to two other sections further on in the Act. That confuses the mind of the ordinary individual and if it is desirable to amend the section, I would certainly urge that the amendment be made on the face of the section so that when a person who is interested in homesteading took up the law and read the section he would know everything that it was intended to convey, and he would not be obliged to refer to some other part of the Act and read some other sections to find out exactly what his rights were.

Mr. ROCHE: This section is intended to make the provision more clear in regard to the lands that will be open for homesteading and the lands that will not be open. The references are to section 35 and 36. Section 35, which is a portion of the Act, refers to land adjacent to water-powers. Section 36 refers to land reserved for purposes of a harbour, landing, bridges, railway terminus, station or town site. It extends as well to all lands that are on the reserve list for any purpose whatever. The Bill has been drafted by the law clerk of the House of Commons. I am not a lawyer myself, and not accustomed to the drafting of statutes, but I cannot see anything in the drafting of this Bill that would create any complication such as the hon. gentleman refers to.

Mr. OLIVER: I am not at all saying that the section as drafted is not perfectly good law, and I am not saying that a member of the legal fraternity will not thoroughly understand it, but I do say that the ordinary citizen will not understand it as well as if the whole case were stated in the body of the section. That seems elementary.

Mr. CURRIE: Would not the whole statute have to be re-enacted in order to do that?

Mr. OLIVER: No.

Mr. CURRIE: It would have to be consolidated and the whole reprinted and re-enacted.

Mr. OLIVER: If it is desired to exempt from homestead entry lands adjacent to water-powers and lands reserved for other purposes you might as well state that in so many words in the section instead of having to refer to two other sections.

Mr. CURRIE: Where there is an addition to the law by the passage of a new Bill it is not customary to repeat what is contained in the original statute.

Mr. AIKINS: The section was drafted in order that it might be concise and at the same time explicit. It is a part of the one Act and all a person has to do, after he reads the first section, is to turn to sections 35 and 36 and they will show clearly the land to which homesteading is not applicable. It would mean the repetition of these very same sections in this section if it were drawn otherwise.

Mr. OLIVER: It is not for me to take the responsibility of drafting the section, but I did not think it right to let it pass without giving my opinion as a layman desiring to pass legislation which can be understood by other laymen.

Another point is that when we are declaring that lands contiguous to water-powers and to certain other waters are reserved from settlement, who is to tell the prospective settler that this land is so reserved. Is he to be the judge of whether there is a possible water privilege at that place or not, or is it intended that if a man settles on such property his homestead

rights shall cease to exist because it is afterwards discovered that land is appurtenant to a water-power.

Mr. CURRIE: It would be only sensible to suppose that under such conditions he would have the privilege of locating somewhere else, and that has been the custom in the past.

Mr. OLIVER: But as the legislation is now worded, that man is left without security for his outlay and the time he has expended.

Mr. AIKINS: It is assumed that the Government will know what water-powers there are and that the Government will reserve whatever land they think proper in connection with that water-power, so that it will not be available for homestead entry.

Mr. OLIVER: If that were so stated in the Bill it would be all right, because the man would not get entry, but as it stands he is liable to get entry upon land which this Bill says he shall not hold.

Mr. CURRIE: The hon. gentleman knows that cases have arisen during his administration where settlers had to be removed from certain tracts that were reserved, and without any specific law these settlers were allowed to pick out the best land they could find elsewhere and all their homestead duties were allowed. That has been the custom from time immemorial, and the hon. gentleman himself has given effect to it when he was minister.

Mr. OLIVER: And I know how unfortunate it was to have to do it in some cases.

Mr. CURRIE: It did not hurt any one; they were as a rule better off.

Mr. OLIVER: In certain conditions a very difficult situation has existed, and it is unfortunate that in amend-
9 p.m. ment to the Act we should create such a condition as that of a settler who has located inside of a forest reserve.

Mr. ROCHE: In the case of the Winnipeg river we have made such a reservation as the hon. gentleman suggests. Any person who goes on land can see a water-power, and he makes his entry at his own risk.

Mr. OLIVER: I am putting in my protest, and I do not wish to press the point. There are cases in which power can be created by a moderate expenditure of money, where there is no evidence to the ordinary man in the natural condition that water-power exists. On the Bow river, application has been made to create a water-power at a certain place where there is a swift current, but no waterfall, and an ordinary settler would not be warned that a water-power existed there.

Mr. DOUGLAS: The point which my hon. friend (Mr. Oliver) has raised exists in connection with timber reserves. I know a case in my own constituency in which a man has made entry for a homestead on land which was formerly a timber reserve, and having performed the work of clearing and expended nearly $5,000, he is now notified that he cannot get entry. This man thought he was in a district which was not of commercial value as a timber reserve.

Mr. CURRIE: How much timber did he take?

Mr. DOUGLAS: He took none; the timber was not of any commercial value, and he was preparing to burn it to get the land cleared.

Mr. BRADBURY: What authority had he to go on the land?

Mr. DOUGLAS: Other people had been getting entry in the same district. I must say in fairness to the minister that I have taken the matter up with him and he is prepared to deal with the case in a fair and equitable manner, but there is something wrong in a regulation which allows such a thing to occur. If we can remedy it in this case we should do so now when we are passing the legislation. We have in northern Alberta a lot of timber which is not of a merchantable character, and yet there may be more than the necessary twenty-five acres on a quarter-section to render it not available for settlement. The timber may be only fit for firewood, and on account of the distance from a railway it is of no value even as firewood, and the entrant would be delighted if a prairie fire swept it away, but yet this land is not eligible for entry. This regulation has had the effect of keeping a very considerable quantity of valuable land from being settled. I do not know that this particular case comes under section 2 of this Bill, but the question is worthy of consideration if in many cases timber lands, which have been reserved for timber purposes and which now prove to be of no value for merchantable timber, should not be thrown open and

the privilege given to settlers to make entry on these lands without any drawbacks by the department.

Mr. ROCHE: The difficulty in the case to which my hon. friend refers is that the man who made his entry swore that there was not more than twenty-five acres of timber.

Mr. DOUGLAS: Of merchantable timber.

Mr. ROCHE: If a man wilfully does that, you can see the difficulty which the department would experience in granting entry. I believe, however, it is the practice of the department not to dispossess a man who has gone in and taken up land on which there is more than twenty-five acres of timber; but he is asked to map out the twenty-five acres, and then the department issues permits to the settlers to cut on the balance of the land.

Section agreed to.

On section 2—proviso as to residence of entrant.

Mr. KNOWLES: The whole question of pre-emptions is re-opened in this section. In the session of 1906-07, a Bill providing for pre-emptions was introduced by the present member for Edmonton, then Minister of the Interior of the late Government. His Bill was opposed partly by the late Hon. Thomas Greenway; and long speeches of criticism were made by hon. gentlemen opposite, notably by my hon. friend the present Minister of the Interior (Mr. Roche) and by the hon. member for North Toronto (Mr. Foster). The present Minister of the Interior by no means supported that legislation at that time and he allied himself with the late Mr. Greenway. If the minister desires a reference for that, I can give the same to him, although I suppose he recalls the statements he made at that time. He made certain objections to the way in which the regulation would work out, and on the whole he threw cold water on the scheme. The hon. member for North Toronto discouraged the proposition as much as possible, and said that the giving of this land was like the giving of money. On March 14, 1907, he spoke in this House as follows:

> Your agriculturist is just as good a unit of the population and just as good a citizen of Canada, in Ontario, as he is in Saskatchewan or Manitoba. And one of his assets is his share in the public franchises and the public property of this country. Yet, you propose to go to the treasury, and to take out of it millions of dollars, out of which you give him no benefit at all and you give it only to a section of his class, a favoured few (so far as this goes) who reside within a certain area in the country. If those lands that you propose to give as largess, as bonus, to people who are outside of the area of need, not weighed down by poverty, not encountering difficulties, but so peaceful and happy and prosperous in the enjoyment of a princely gift of 160 acres of good land—if those lands which you propose to give them were transmuted into money, and that money were put into the treasury of this Dominion, it would be just exactly what it is now, though in a transmuted form. The transmutation of it does not change its essential character, does not make it any less an asset of this country, in which every citizen has his share; and what do you propose to do? You propose to legislate out of the grand treasury of this country, for a few people in one section of it, millions of dollars of value, making them a present of that, and giving to none of the rest of the people of this country any share in the usufruct.

It was impossible to get the Bill through during that session on account of the opposition it met, and accordingly the Bill was introduced the following session in a slightly modified form and became law. The pre-emptions were very popular. My own district is the one in which by far the most pre-emptions have been taken up. On the first of September, 1908, the pre-emption privilege was extended, and everybody knows that it was the most popular thing in Canada at that time. Wherever pre-emptions and purchase homesteads were available, there was the greatest activity on the part of the people concerned to get the quarter-sections of their choice. The people were then satisfied—indeed they were grateful for the terms which the present member for Edmonton, then Minister of the Interior, granted to them. At that time there was prosperity throughout the West and there was no need for reducing the requirements and asking the people to dispense with the payment of the interest or with the residence duties. Unfortunately for our country that condition of prosperity has ceased. My hon. friend to-day is grappling with a condition of affairs, which his own Government has created, in which the people require some relief. My hon. friend and his friends did what they could to keep from the people the relief offered to them in 1911 in the way of wider markets, and now it is necessary for them to come to the people, in this condition that is more or less desperate with some measure of relief. The relief is brought in this form and I support it. In fact, there is no relief which I will not support in the

present condition of the people. The last tariff changes brought down have convinced me more than ever that it is my duty to grasp and to encourage any measure of relief that this Government will give. For my part I will support the waiving of the payment altogether in order to give the people an opportunity, in the untoward circumstances and unfavourable environment in which they are now situated, to make a success. The minister is to be pitied more or less on account of the depression which has followed the existence of this Government just as surely as the night the day; but he must realize in his heart that, if the people who grow their wheat and other cereals on their homesteads and pre-emptions had the open market at their door, the three years' interest of $72 would be a mere bagatelle to them, and the minister would not have had this cry from them.

The minister in one way is inconsistent in this Bill. If I understand him correctly—I am speaking not of the interest part, but of the residence part—it is his intention that, after a man has completed his residence duties, if he has $480, he can get patent for his pre-emption if he has fifty acres of breaking done; but if he has not $480 that year but has it the next year, then when he comes a year or two years later, as the case may be, he is not forgiven his residence duties in the interval.

Am I right in saying that a man who has spent two years after the protection time commences in working and slaving under unfavourable circumstances to get the $480, is charged up, after he gets that amount, with eighteen months' residence?

Mr. ROCHE: That is right.

Mr. KNOWLES: I want to protest against that. It seems that even in respect of this small amount the Government is discriminating in favour of the man who has the ready money as against the man who has to work hard to raise the amount. It seems to me that that is unjust discrimination. I have constituents who can pay the $480 at once, but I have a great many more who cannot. Unfortunately, under the present Government, the latter class is becoming larger and the former class is becoming smaller. I protest against making these people comply with the residence required because they are compelled to wait a little while to earn the money. I cannot conceive why the richer man should be forgiven; why he should be relieved of his residence duties for six months in the year while the poor man has to work and slave for it, perhaps keeping a wife and family at the same time. I ask the minister to adjust this matter; I ask him to do what is right by the man in poorer circumstances. I ask in the name of many thousands of my constituents that he afford to the poorer man the same relief from residence duties that he grants to the richer man.

Mr. ROCHE: If the homesteader chooses to avail himself of the provisions of the present Act as it is now upon the statute books he will be in no worse position in the future than he is at the present time, and he will be in a better position in that he will have to pay no interest during the first three years. He has the option of taking the time provided by the present statute in order to get the patent for his pre-emption, or of taking advantage of one of the provisions of this Bill: that at the end of three years, when he secures the patent for his homestead, he may, by paying his pre-emption money, secure a patent for his pre-emption. He is thus relieved of his homestead duties in the future, provided he has put in the necessary residence up to that time and performed the necessary cultivation duties. It is not a question of discrimination as between the rich man and the poor man; many poor men have asked for a provision of this kind. If a man has the ready money, he can cultivate or improve his pre-emption, if he so desires. This provision is intended to give all the option of continuing under the present Act and to improve their position to the extent of forgiving them their interest. Or, if they desire, by raising money on their homestead, to get a patent, at the end of the time they qualify for homestead they may qualify for patent for pre-emption by making the necessary payment. The hon. gentleman has placed a rather strained interpretation upon this Act as at present drafted, it is not designed at all to discriminate in favour of the rich man.

Mr. McKAY: I would remind the committee that the area of land that this section refers to is that portion which, roughly speaking, begins east of the centre of the southern boundary of the province, runs north westerly and northerly along the third meridian up to the forty-fourth township and thence westerly and southerly and easterly to the place of commencement. The inhabitants of that area were given the special privilege of taking up homestead and purchasing pre-emption

because of the semi-arid nature of the locality generally. But we must bear in mind that it is practically impossible to select from that district land which is entirely of that nature. I venture to say that the hon. member for Moosejaw will claim that his constituency is one of the most fertile belts in the province; yet the city of Moosejaw is within this area. The Governor in Council selects certain townships within that area to which is extended the privilege of getting homestead and pre-emption. That area, as I have said, was set apart, because, owing to lack of rainfall, no man could be expected to cultivate the whole 160 acres. Under the conditions there, 160 acres were not sufficient for a person with a family; therefore, it was considered but right that in the townships selected by the Governor in Council this special privilege should be given of allowing the homesteaders to purchase an additional 160 acres. I wish to draw the attention of the minister to the fact that in part of my constituency the same conditions exist from causes directly opposite to those which pertain to the area which has been set apart. In portions of my constituency the abundance of water which occupies arable land prevents the farmer from cultivating the whole of his 160 acres homestead.

I know of some cases where out of the hundred and sixty acres there are ponds that take up perhaps one-half of the homestead, leaving only eighty acres which the farmer can cultivate; and eighty acres we consider is hardly sufficient for a farmer to make a living on, particularly where he has a family. Furthermore, a great many of our farmers, in fact I think I can almost say by far the larger percentage of them, go into mixed farming and it is absolutely necessary, in order that they should make a good living and bring up their families in a better way than they are able to bring them up on one hundred and sixty acres, that they should be given the privilege of purchasing, where they can, pre-emptions and homesteads in the same way as the farmers in this section with which we are now dealing are allowed to purchase pre-emptions and homesteads. I noticed in looking up the discussion that took place when the Bill was first introduced and also in 1908 that the reason given by a number of speakers, including the then hon. Minister of the Interior (Mr. Oliver) was that in the other portions of the province north of this belt to which I referred the railway companies had land and the person taking up a homestead could purchase another one hundred and sixty acres from a railway company. But that particular portion of country is very largely settled and most of these lands have been bought. I am speaking more particularly of the section north and south of the Saskatchewan River where in some cases it is impossible to purchase lands and where there are still some homesteads that could be taken up. In fact, in a great many cases people will not take up homesteads because there is not sufficient arable land in the homestead for a man to make a living. If they were allowed to take two homesteads, say three hundred and twenty acres, it would make a very good farm, perhaps only equal to one hundred and sixty acres in the prairie sections of the country. I would therefore ask the minister to consider the advisability of extending that area within which purchasable homesteads and pre-emptions may be secured. Roughly speaking, I would suggest that the area could be extended from say the main line of the Canadian Northern railway running from Kamsack westerly up to Warman, etc., starting from the third meridian, the present boundary of the area, and running along the present line of the Canadian Northern railway and taking in the northern portion of the province. Extending the area in this way does not necessarily mean that all of that area could be dealt with in this way, but simply gives the Governor in Council power to select any township within that area and allow people residing within that area to have the privileges that are extended to those residing in the area now under discussion. This matter has been brought to my attention by a number of farmers residing east of the third meridian and the farmers in that area would appreciate it very much if this matter was taken into consideration and something done along this line. No doubt the minister may require to consider this matter, but if he is not able to do so during the present session I would suggest that officials of his department should be instructed to make an inspection in that section of the country and the matter could be considered later.

Mr. KNOWLES: I am sorry the minister cannot accede to my request in the matter of residence duties. His answer, however, must be final.

Mr. NEELY: The minister must recognize that he is making a very important departure in our land regulations by his amendment in section 2. I have always

understood that the purpose of having this duty demanded from entrants for homesteads and for purchase homesteads was to have the land actually brought under cultivation, and not to give our land a speculative value that might be given to it by the spending of a few dollars in cultivation without having the entrants perform a certain amount of residence on the land. I am not going to say whether the minister is right or wrong, the hon. member for Moosejaw has given reasons why conditions could be made more lenient in these days than they have been in days gone by, but I would say to the minister, notwithstanding his explanations, and I tried to follow them as closely as possible, that I am still afraid he is doing an injustice to a great many entrants for pre-emptions throughout the West. He makes the statement that by giving the privilege of paying $480, the price of a pre-emption homestead, he is actually lessening the onerous conditions of the pre-emption. I fail to see that. The real effect is that the minister is compelling the man who cannot furnish the money to go on and perform residence duty; and he cannot fail to see that he is putting a premium on the case where a man can take out from his bank account $480 and free himself from all future responsibility. It may be urged that the man who has not the means can go to the bank when the bank knows that he is going to get his patent for pre-emption shortly, and get the money to pay off the Government. But what kind of bargain would that be for the man who has not the means to make the payment? The Government charge him five per cent, but the bank would probably charge him ten per cent or twelve per cent. I should assume the minister is penalizing that man who wants to get his patent by going to the bank or the trust company or the mortgage or loan company from five per cent to seven per cent, if he wants to have the same privilege as the man who has the money in the bank and who can make the payment to the Government. The minister cannot get away from that. The minister is taking the responsibility of making the conditions of life less onerous for certain of the settlers who have had the privilege of taking purchase homesteads or pre-empted homesteads. If he is going to change those conditions, he ought to make the conditions equal to all parties concerned. Why should the minister penalize this man? Here are both cases, the man who can pay up at the end of three years from the date of his homestead entry, and the man who cannot. Both of these parties, under the legislation now proposed, will be exempted from three years interest. After three years from the time at which the entry was made for the homestead you find the conditions exactly the same so far as these men are concerned, they both have three years' exemption from interest. The conditions are absolutely even up to that point, but then they become absolutely different. The man who can pay down $480 cash is to be relieved of all further responsibility as to residing on his pre-empted homestead, while the man who cannot afford to pay the $480—unless he borrows it and pays 10 per cent or 12 per cent interest—is to be penalized by having to perform still further residence duties. I do not think that is a square deal. If the minister wants to do something to make himself popular with the homesteaders,—and Lord knows he needs it, at any rate this Government at Ottawa do—if he is going to make conditions of life less onerous for the men who have purchased pre-emptions in that particular area he should make the conditions absolutely even, and no amount of argument can persuade me that conditions contained in section 2 of this Bill are in any way just and right as between the man who has means and the man who has not.

Section agreed to.

On section 3—price:

Mr. KNOWLES: The minister seems unwilling to assist us in the matter of readjusting the residence duties on pre-emptions, but perhaps he will meet us on this. The minister lays it down as correct—and I think it is wise legislation at this juncture—that the entrant shall not pay interest on his $480 for the first three years after he enters on his pre-emption. He must pay it after the pre-emption time, so to call it, commences to run. I am not quite sure how the minister is going to run this thing. His Bill looks to me to be a very strange one. We have just passed clause 2, and I am quite sure no man in the House can tell us just what it means. For instance, it says you will have to do the residence duties for the fraction of time during which you are rustling for the $480. But if it takes a man fifteen months to get that amount, how much residence duties would he have to do? But the minister, following his practice of doing no wrong, will no doubt see that it is carried out correctly. The department will have some trouble over that; it is ill-digested. The responsibility, however, is

on the minister who does not seem to care to discuss it with us. Perhaps he will tell us later how much residence duty the man will have to do who has to go out and rustle fifteen months to get the $480. With regard to section 3 a strange principle is involved. For the first three years the man is charged no rent and no interest. At the end of the third year, or whenever his pre-emption time commences, he pays down a dollar an acre and commences to pay interest on the $320. Why should he pay interest on the $320 more than on the $480? It cannot be for rent, because he has had the use of the land all the time, and it cannot be to show the earnestness of his bargain, because he has already paid $160. If he should be forgiven his interest for the first three years, he should be forgiven every cent the Government can take off his back; he should be forgiven all the interest. If he is not to be charged interest on the $480, he should not be charged interest on the balance of $320. The minister says he will commence to use the land more after the third year; but he has had the use of the land from the start and can grow as good a crop in the second year as in the fifth or sixth. I think the minister should make this interest-waiving apply to the whole amount. I wish to move the following amendment:

That section 3 be amended by striking out all the words between the word 'instalments' in the eighth line of said section and the word 'provided' in the fourteenth line thereof and substituting the following:

Any instalment or instalments not paid on the due date thereof shall bear interest at the rate of five per centum per annum from such due date until the date of payment, but no instalment shall bear interest prior to the due date thereof.

I hope the minister will agree to that.

Mr. ROCHE: I think the hon. member for Moosejaw is using the wrong term when he states that the man is being penalized because he has to pay interest after the expiration of the first three years. Is he penalized at the present day. The only way he is being penalized under this Act is that he is being forgiven the first three years' interest, and if that is penalizing, I think the pre-emptor will be very glad to be penalized in that manner. The interest starts under this Act at the end of the first three years on the $480. If the pre-emptor should pay an instalment of $100, or whatever it may be, he will have to pay interest on just that much less; so he is not being penalized at all. I do not think there is any necessity for the hon. gentleman's amendment, though I am quite willing that the section should stand for further consideration and amendment. Both the hon. member for Moosejaw and the hon. member for Humboldt have said that we are penalizing the poor man.

Mr. KNOWLES: We will cut out the word penalizing, and say charging. Penalizing may be a little strong, but I feel very keenly about this matter.

Mr. ROCHE: It is an impossibility not to have inequalities so long as there is an unequal distribution of wealth. I do not think it is necessary to charge the present Act with undue discrimination against the poor man, for I have brought this amendment in largely at the instance of the poor pre-emptor who desires to secure his homestead patent in order that he may raise the money to pay for his pre-emption at the same time. I am sure that they will not feel they are being discriminated against simply because the rich man may be able to pay at the end of the three years. The poor man has exactly the same option. He can pay at the end of the three years, or go on paying exactly as under the present Act. The hon. gentleman's argument, as I understand it, is that the poor homesteader is being discriminated against. I am lightening his burdens by taking off three years' interest, and he has the option of getting his homestead patent and raising the money to pay for his pre-emption at the same time, or he can go on paying for it as the present Act provides.

Mr. KNOWLES: I do not think the minister quite understands me. I do not say that John Smith is any worse off because you are good to George Brown; but it is not fair to be good to George Brown and not apply the same principle to John Smith. John Smith may have to wait two years before he gets his money and he has to do twelve months' residence duties. Suppose the minister made a law that he would not charge $3 an acre to men whose names commence with the letters A to M, and that he would charge the full price to the other fellows whose names start with the letters N to Z; to the men whose names begin with the letters from N to Z the minister says: Although I have not charged these other people, I shall charge you, but you are not hurt as you are the same as you were. Perhaps penalizing would not be the word to use, but there

would be discrimination. The minister has not answered the point that there is an unfair discrimination in his proposed legislation against a man who has to wait a year before he gets his $420 gathered together as compared with the man who happens to have the money in the bank.

Mr. NEELY: Do I understand the minister to say that he is going to let that section stand?

Mr. ROCHE: I would not like to accept the amendment without giving it further consideration.

Mr. NEELY: Have there been any pre-emptions granted under the Act of 1908?

Mr. ROCHE: Yes.

Mr. NEELY: I notice that the minister, according to his footnote, is going to make this measure retroactive as far as present entrants for pre-emption are concerned? Is that not the purport of the measure?

Mr. ROCHE: We are going to allow any person who has not qualified, that is, who has not obtained his patent up to the present time, to come under the provisions of the Act.

Mr. NEELY: The man who may have held his entry for five or six years, but who has not complied with these regulations and has not obtained his patent, is going to get the benefit of a certain number of years' interest. What about the man who has in the last year or so applied for and obtained his patent, should the minister not give his case consideration? He has his patent, it is true, but he has obtained it under the conditions that he had to pay and perform the residence duties. Surely, because one man has been a little slower than another in applying for his patent, the minister is not going to penalize the man who has been good enough to promptly pay the Government what is due and to fulfil his residence and other duties?

Mr. ROCHE: Now the hon. gentleman is putting up an argument for the man who has money and has been fortunate and wealthy enough to pay for his pre-emption. There were 879 patents issued for pre-emption. What would this amount to? If we were to refund to these 879 people it would amount to a little over $2,000,000. If I were to bring down a Supplementary Estimate for $2,000,000 to refund to those who have paid for the right of pre-emption, would the hon. gentleman support such a proposition as that?

Mr. NEELY: Has the minister actually figured up that the interest charges on patents already granted would amount to over $2,000,000?

Mr. ROCHE: No, not the interest charges.

Mr. NEELY: I am speaking of the interest charges. The minister is not proposing to pay back the principal?

Mr. ROCHE: I was referring to principal and interest.

Section stands.

On section 4—entrant not required to erect house on purchased homestead:

Mr. DOUGLAS: Under clause 4 a question may arise which affects particularly the northern part of the province of Alberta. We are exempted from the provisions of this pre-emption act inasmuch as no pre-emptions are allowed north of the 44th township. I think this is working a hardship because the northern section of Alberta is largely a brush country and a homesteader may not have arable land enough on his quarter-section of 160 acres to permit him to earn a livelihood. This makes it necessary that he should be enabled to secure more land. I think that the minister should grant, in lieu of pre-emption privileges being allowed in the northern part of Alberta, the right to homesteaders or entrants to take up purchased homesteads in that section of the province. We have in the Peace river country a tremendous amount of arable land and we also have a large number of people who have acquired homesteads possibly in other provinces or who have exhausted their homestead rights either by abandonment or in some other manner and I think it should be the policy of the department to allow these people to have the privilege of acquiring a purchased homestead such as is granted in the province of Saskatchewan, and in the southern part of Alberta, under the purchased homestead provisions. In the northern section of Alberta the purchased homestead area should be extended so as to permit entrants to obtain purchased homesteads. If the minister will not acquiesce in this suggestion I would like to move

That section 28 be amended by striking out the words 'open for entry in the manner set forth in this section' when they occur in lines 22 and 23 thereof, and by further striking out

all the words contained in lines 36 to 53 thereof, both inclusive.

This is to permit of purchased homesteads being acquired north of township 44.

Mr. ROCHE: Purchased homesteads were allowed, as the hon. gentleman states, to those who had exhausted their rights to take up another homestead. There was a time when a person was entitled to take up a second homestead. That privilege has been cancelled and in order to allow persons coming within this class to obtain more land within a certain area, much the same area as the pre-emption area, they are allowed to take up purchased homesteads on much the same conditions as people may take up pre-emptions. As this area is largely the same area as the pre-emption area, it was considered at the time that it would not be wise to extend it farther north or into other portions of the same province that had not this particular character of land. I would make the same answer to the hon. gentleman that I would have made had I replied to my hon. friend from Prince Albert (Mr. McKay) in regard to the extension of the pre-emption area. It was designed originally because it was considered that 320 acres in that area would maintain a farmer and his family no better than 160 acres in a more productive part of the country. In view of so many people being of the opinion that it was very doubtful wisdom to have established the original pre-emption area, I do not feel now like recommending an extension of it, or of the purchased homestead area. The northern part of the province is more adapted for mixed farming. The conditions referred to by the hon. member for Prince Albert (Mr. McKay), where there is too much water, makes a difference from the semi-arid district, but as drainage propositions are put into effect, much of the land now under water will be drained and made arable. I think it is better to encourage mixed farming in the northern district, and I think a farmer in that part of the country which is wooded and well watered will thrive much better under mixed farming than mere grain growing. I do not think it would be wise to accede at present to the requests of the hon. member for Prince Albert and the hon. member for Strathcona to enlarge the area either for pre-emption or purchased homesteads.

[Mr. Douglas.[

Mr. OLIVER: I do not think the minister's reasons are apt as applied to the purchased homesteads. The results have shown that the pre-emption provision was a wise one, and that it brought in a large population to a vast area of country that up to the time of its adoption had not been occupied. The purchased homestead has nothing to do with giving the settler a greater area than a quarter-section. The purchased homestead merely allows the man who has exhausted his homestead right, and who, if he is looking for land again, must go across the line for it, to take up another homestead on certain specified conditions. He pays $3 an acre for it; he does a larger measure of cultivation than on the first homestead, and in every way the interests of the country are guaranteed under the purchased homestead provision. Every old-timer in the West knows of hundreds of cases where people have exhausted their homestead rights under difficult circumstances, and to whom it would be of great advantage to be allowed to take up homesteads and be pioneers once more. The only reason purchased homesteads were restricted to the pre-emption area was because at the time there was a general objection to allowing a purchased homestead at all. I felt convinced that it was desirable from every point of view that there should be such a privilege accorded, and I was able to get the consent of the House to that, if restricted to the pre-emption area, when I was not able to get that consent when I had asked for it to be applied to the whole country. Experience has shown that the danger which was feared at that time from the granting of this privilege—the fear of a transfer of whole bodies of people as a result of the privilege—does not now exist. To-day, in the light of our experience, I am sure that the Government would be well advised, and would be acting strictly in the public interest as well as in the interest of many hundreds of pioneers who have exhausted their rights and who now are not in a position to give the best service of which they are capable to their country, because they are not able to take up another homestead, as they would if granted this privilege. I would urge very strongly on the minister that he assent to the proposal. Or possibly he might allow the matter to stand to consider it at a later date.

10 p.m.

Mr. W. H. WHITE: I am sorry the minister does not look with favour on the proposed amendment of the hon. member for

Strathcona (Mr. Douglas). The minister states that in his opinion a quarter-section of land in the north country would produce as much as a half-section further south. That may be true of some sections but it is not true generally. I know that from possibly township 44 to township 54, which is considered the best district in the province of Alberta, it might be true, but taking it from township 54 north, the country is very much broken and I question whether the average quarter-section would contain over 80 acres of arable land, I thought it was a great mistake that the pre-emption regulation, when first introduced, did not extend over the whole province. It is misleading to new settlers; people come here from other countries with the expectation of being able to take up half a section, and they are disappointed. In the semi-arid or dry belt it may be that the land does not yield as much as in the north, but there is a great deal of land south of 44 that is just as productive as any land north of 44, so that you cannot make any general application of a law in that respect. It would, in my opinion, be better if the homestead regulations were made general so that every one would understand. North of 54 there is a good deal of timber and a good deal of water. I know quarter-sections not far from railways which on account of the water and the wood on them are not fit to cultivate. There are in some places side hills that would make grazing land, but there may be 50 or 60 acres of water, and a man could not make a livelihood with the number of cattle he could keep on 70 or 80 acres. There are other places where the water floods in the spring, which makes it impossible to farm, but still stock could be raised on that land. If a man be confined to a quarter-section he cannot raise more than 35 or 40 head of cattle, which would hardly sustain a family. The man in the north, considering the nature of the country, has just as much need of a half section as has the settler in the south. The minister is an old settler; he has lived in the West for a long time and he knows that years ago, before we had the advantage of the railways, many of the first settlers who located in the northern part of the country found themselves in difficulty after some years. There were no markets and they were forced off the land. Many of them lost their land altogether, and some sold it for four or five hundred dollars. Afterwards when they had advantages that they did not have at that time, they found themselves without land and without means to secure land. I cannot see any good reason why any man, if he is willing to go on the land, to live on it for a few years, to fulfill the homestead requirements and to pay for it, should not have an opportunity, now that conditions are more favourable, to make good on the land. Many of these settlers wasted the land when it was of no value; they gave it away for nothing because they could not exist on it, and by so doing they lost the opportunity of making a living on it as they could now do.

Mr. DOUGLAS: In emphasizing the point which I raised a few moments ago, I wish to inform the minister that within a radius of fifteen miles of the city of Edmonton, a city of 70,000 inhabitants, there are homestead lands available to-day in the Beaver hills which are not considered valuable enough to be taken up by homesteaders. If this concession were granted of a purchased homestead, the chances are that a great deal of this land would be taken up for the purpose of raising stock. This land is full of hollows and valleys and it is not suitable for the raising of agricultural products; but at the same time, if a man were permitted to secure 320 acres in this particular section, he would most likely be able to make a living in raising stock which would be of great value from a local standpoint, within that very reasonable area from a city the size of the city of Edmonton. The minister should take into consideration the facts as set forth by the hon. member for Victoria (Mr. White) who is fully conversant with conditions in that country; and he should give every consideration to this amendment, because in many cases the land is covered with scrub-timber, which is absolutely detrimental to the settlers and which is of no value whatever from a commercial point of view. It is of no value for firewood; and fire going through that country is a God-send to the settlers. The minister should permit these people, who are prepared to go into mixed farming, but who are not permitted to do so under the present homestead regulations, to make a living and at the same time clear this land which costs twenty to twenty-five dollars an acre for clearing purposes. If this so-called timber were of merchantable value, I could understand the minister adhering to his regulation as regards the 160 acres, but this timber is of no value commercially.

Mr. ROCHE: I think the stock provision here will overcome to a considerable extent

some of the difficulties to which my hon. friend has referred. In the case of land such as my hon. friend has described that is fit for the raising of stock, there is a stock provision in this Bill which will allow people to qualify for a homestead by keeping cattle instead of cultivating land not suitable for agricultural purposes. I am aware that the hon. gentleman takes the point that 160 acres is scarcely sufficient for a man to raise stock on. Still, many farmers are craving for that privilege at the present time. They have their 160 acres, which they claim is not suitable for breaking, the 30 acres, which they have to break under the present Dominion Lands Act; and they ask for the privilege of qualifying for the patent by keeping a certain number of stock. I cannot see my way clear at the present time to recommend that 320 acres be given instead of 160.

Mr. DOUGLAS: Will the minister not take it into consideration?

Mr. ROCHE: I am quite willing to give the matter every consideration.

Mr. DOUGLAS: The regulation regarding the raising of stock is absolutely under the control of the homestead inspector. His report is the only information the minister has to go by, and it is a very questionable recommendation.

Mr. ROCHE: How would the hon. gentleman do it—give it indiscriminately?

Mr. DOUGLAS: It would be quite feasible to have certain areas mapped out that would be open for the qualification of stockraising. We have lots of areas large enough to permit of that.

Amendment of Mr. Douglas negatived: yeas, 26; nays, 37.

Mr. NEELY: While we are discussing these sections that relate to the money question, I want to call the minister's attention to a small point, where I think an amendment should be inserted in the present Dominion Lands Act. If the minister does not want to insert the amendment, he should alter the regulations. Section 32 of the Dominion Lands Act deals with the sale of agricultural land, and gives the minister power to sell a fractional quarter section, with or without homestead conditions, the rate not to be less than $3 per acre. In the constituency that I represent, we have neither the right of pre-emption nor the right of purchased homesteads; but in the northern part of the constituency we have a large number of small bodies of water and a large number of fractional quarter sections. I do not know what the practice was under the late Administration with regard to the sale of these fractional quarter sections, that is as to price, except in regard to those that came under my observation.

In all cases that have come under my own observation I have never known a higher charge to be made than the minimum $3 per acre, which is mentioned in section 6. In these areas we have not pre-emption or purchased homestead rights. In the purchased homestead and pre-emption district the 160 acres can be bought for $3 an acre. A gentleman in my constituency made the complaint to me the other day that a number of his neighbours paid for fractional quarter-sections only $3 an acre, whilst he had to pay $5. I brought the matter to the attention of the commissioner of Crown lands, and I bring it now to the attention of the minister. I understand that the valuations are made by an official of the local land office, who is allowed to say whether or not these fractional quarters are worth $3 or more an acre. These quarter-sections, which never consist of more than 80 acres, are not sufficient to make a farm and I do not see any reason why we, who have not the right of pre-emption, should have to pay more than the minimum price in any case.

Mr. ROCHE: The valuation is placed upon these fractional quarter-sections by officials of the Government. As the hon. gentleman knows, some fractional areas are much more valuable than others. The provisions regarding fractional areas are not confined to any particular portion of the province; they apply equally to any portion of the province where there may be a fractional area. In that respect the fractional areas differ from the pre-emption and purchased homestead areas. The preference is always given to the man who is the owner of land and who purchases a fractional area of eighty acres or less immediately adjoining. In many instances these lands have been valued at an amount considerably above the minimum valuation.

Mr. NEELY: Does the minister think that is fair?

Mr. ROCHE: I do. The department has to look after its revenue and when no discrimination is made against any part of the West I think it is quite right that these valuations should be made.

Mr. KNOWLES: I beg to move that section 4 of this Bill be amended by adding thereto the following words:

Section 28, subsection 5 of the Dominion Lands Act is amended by striking out all the words between the word 'instalment' in the fourth line of said subsection and the word 'provided' in the seventh and eighth lines thereof and substituting therefor the following: Any instalment or instalments not paid on the due date thereof shall bear interest at the rate of five per centum per annum from such due date until the date of payment, but no instalment shall bear interest prior to the due date thereof.

This amendment would have the same effect with regard to purchased homesteads as the one which I proposed with regard to pre-emptions.

Mr. ROCHE: I am not at all antagonistic to the object of the hon. member, but I think that his amendment had better stand, as well as the clause under discussion. I think that his amendment, which is not very happily worded, is subject to some improvement.

Motion withdrawn.

Section stands.

On section 5—section 31 amended:

Mr. KNOWLES: Have any changes been made since this Government came into power in the regulations with regard to buildings on purchased homesteads?

Mr. ROCHE: There has been a change. Homesteaders are only required to have a habitable house on their lands; the regulations previously provided that there should be upon the homestead a house of the value of $300.

Section agreed to.

On section 11—lease of school lands:

Mr. NEELY: Under this section the minister proposes to take to himself larger powers with reference to school lands, which are held in trust by the federal Government for the three prairie provinces. I would like the minister to explain the additional power which he proposes to take unto himself under this section, which says:

Notwithstanding anything in this section, or elsewhere in this Act, school lands may be leased for any purpose whatsoever, to any person, municipality or other corporation, under and subject to terms and conditions to be provided by regulations made by the Governor in Council.

I think there is some use to which these school lands could very justifiably be put. For instance, at the present time grazing permits are given in respect of school lands. Does the minister propose to lease these lands that they may be cultivated? If he is taking that power he is taking all kinds of power in the proposed section, and I would suggest that these lands might very greatly deteriorate as salable property when they come to be sold for the benefit of the school endowment funds of the three prairie provinces.

Mr. ROCHE: I quite agree that there are uses to which the school lands might be put, if the regulation so provided, that would not be at all justifiable. That is not the intention. It is the intention to take the power which we have not now of leasing those schools lands and thus adding to the school land endowment funds. I think it is only right and proper that we should increase that trust fund by every legitimate means at our command. At present we have not the power to lease school lands for any purpose and this section is intended to allow us to take the power of leasing them. It will not at all interfere with their sale and the leases will be subject to cancellation at any time when the sale is made. But in the meantime we will have them as a source of revenue for the Government, not by having them cultivated but by giving grazing leases on them. At present there are permits issued for cutting hay, etc.

Mr NEELY: If the minister gives the assurance that these leases will be subject to immediate cancellation, that obviates one objection to the proposal. I would suggest that once the Government take power unto themselves under this clause to lease these lands, they will have innumerable applications from persons who wish to break up the lands and cultivate them. If that privilege were granted to good farmers, to men who farmed their land in the proper manner, cleanly and well, no great disadvantage would come to these lands; but in my judgment it would be very much better to do without the revenue that would be acquired in this way than to have the lands subjected to bad farming and thus be greatly deteriorated in value in case they are put up for sale.

Section agreed to.

On section 12—conditional assignments:

Mr. ROCHE: I have a few amendments to make in this section. It has been

pointed out that the wording does not exactly cover the object intended. At the present time assignments are made, for instance, to the railway companies for rights of way. As originally drafted an assignment was prevented unless a definite area forming a portion of a quarter-section held under entry, and the precise location of that entry, were defined. It will be understood that a right of way agent for a railway desiring to go through a man's farm is not in a position, when negotiating with him, to define offhand the exact location of the right of way and therefore I suggest to insert the word 'undefined' instead of 'defined area so formed' and to make the corresponding changes in the other lines of the section.

Section as amended agreed to.

On section 14—stock in lieu of cultivation in case of certain quarter-sections:

Mr. McKAY: I would draw attention to the words arable land in the third line. The section begins:

> Notwithstanding anything contained in this Act, if by a report from a homestead inspector it is shown that any quarter-section does not contain arable land to the extent required to earn patent under this Act—

A good many homesteads in northern Saskatchewan are covered with brush and timber. The land is arable, but it costs a good deal to clear it. The hon. member for Strathcona states that it costs from $22 to $25 an acre to clear the land around Edmonton, and the same conditions exists in northern Saskatchewan. In some homesteads the land is very fertile, but is covered with brush and other timber, and it costs in some cases as high as $30 to clear the land. Consequently the farmer in the northern portion of the province is handicapped to a great extent as compared with the farmer on the prairie. We have already dealt with the privilege the farmer on the prairie has of taking a free homestead and purchasing pre-emption, and, in addition to that, with the land on his homestead, the very day he lands there he can put his team of horses or his traction engine on his ploughs and start ploughing the whole 160 acres. In northern Saskatchewan—and I presume the same thing applies in northern Alberta—in many cases the farmer cannot find more than two acres clear on his 160 acres. I know that in some cases he cannot find an acre clear of brush. He first has to go to work and clear this land, spending perhaps $15, $20 and as high as $30 an acre. What is the interpretation to be put upon the words 'arable land?' Does it mean land that is clear of brush or does it mean land that is capable of being cultivated after it is cleared? I would suggest to the minister that those words should be made plain. For instance, after the words 'arable land' there might be added 'free of timber or brush' because as it is at present, if it is construed that this means land that is capable of cultivation notwithstanding the fact that it has brush or timber on it, the privilege given whereby homesteaders can prove up by cattle would not apply because there would be arable land there, the only difficulty being that it would have to be cleared first. That is just what we want to obviate in northern Saskatchewan. We want to have the privilege that where a homesteader cannot find the required number of acres clear of timber and brush to prove up for his homestead he should be allowed, instead of cultivating that homestead, to prove up by the cattle. It seems to me that this section is not happily worded. I would also draw the attention of the minister to subsection 7 of section 14, which provides that the whole quarter section of land entered for shall be enclosed by a substantial fence to the satisfaction of the minister. That is one of the conditions imposed upon the homesteader before he can get his patent. Cases may arise where a homesteader is not called upon to fence his land; for instance, in some portions there is a herd law, and the homesteader with a herd of cattle is not required to fence his land. Under this Act the homesteader, before he can secure his patent, has to fence his land although not actually necessary for practical purposes. I submit that that clause should be changed so as to make it possible for the homesteader to get his patent without necessarily having to fence his land.

Mr. ROCHE: The terms the hon. member takes exception to are commonly used in connection with the land acts. The hon. member emphasized the fact that to clear land of timber or scrub entails a vast amount of labour. At the present time it is the practice of the department not to require thirty acres to be cultivated on a homestead of that character. Of course a similar interpretation would be called into requisition in connection with the word 'arable' as to whether the stock provision should prevail. I think the suggestion of the hon. member as to this scrub or timber

land would make the clause too wide. Nearly every person having a quarter section of land would take advantage of it, and avoid cultivation by keeping a certain number of stock. We wish to encourage a reasonable amount of improvements, and that same explanation will attach itself to the fencing regulation. Under the old stock provision I believe it was necessary to fence at least 80 acres out of the 160. As the hon. gentleman states, there are certain districts having a herd law where it is not necessary to fence the farms, but that is a municipal affair, and what may be the herd law to-day may be wiped out of existence to-morrow. I do not think it would be right to discriminate in favour of a district having a herd law because municipal councils who pass that law change every year, and the next council may wipe the law out of existence. One of the principal points emphasized by the deputation of farmers and ranchers which waited upon me last year was in connection with the keeping of stock. All the farmers were quite willing to see the ranchers getting leases, provided these ranches were fenced so that the cattle could not trespass on neighbouring farms. The only thing we can do is to make the application universal, applying to all lands. Of course, we have to use judgment and common sense in our interpretation. Wherever there is land such as the hon. gentleman has referred to, the practice has been to insist on only six acres being cleared instead of thirty acres, as in the case of a farm clear of scrub and timber.

Mr. DOUGLAS: I wish to endorse what the hon. member for Prince Albert has said in regard to scrub land. In the section from which I come three-fourths of the homesteads are composed of scrub land, which costs the settler from $15 to $30 an acre to clear. I am in perfect sympathy with the regulation of the minister which permits of stock being put on land to prove up. That is a splendid idea and a good regulation, but you are putting a tremendous amount of responsibility on your homestead inspectors.

Mr. ROCHE: No more than at the present time in connection with homesteads.

Mr. DOUGLAS: True; but still there is a tremendous responsibility in deciding what constitutes arable land. I know many cases where homesteaders have taken up quarter-sections, 150 acres of which were scrub land which was absolutely useless as regards the commercial value of its timber or scrub. You are leaving it to your homestead inspectors to say whether that is timber of any value or not, and whether it is land which might be permitted to prove up under your stock regulation. I have no objection in regard to the question of fencing. I have never heard any objection in my section of the country. We have a herd law there which compels every man to fence his own land. As I say, you are leaving a tremendous leverage in the hands of the homestead inspectors when you give them power to decide what constitutes arable land. The question is a large one, and I do not know how you can regulate the matter, but I think there should be some recourse from the report of the homestead inspector in case he puts in a biased report, because I know of many cases in which homesteaders have been discriminated against by the homestead inspector, not from political motives, but as a matter of judgment as to what constitutes arable land. What the hon. member for Prince Albert has said with regard to the cost of clearing scrub land is absolutely true. It is a very expensive operation, and I am glad to hear that in some cases the minister requires only six acres cleared instead of thirty, because to clear six acres of scrub land represents more cash outlay than to clear thirty acres of prairie land. Many farmers are loth to enter upon scrub land, and I think the more latitude the department allows entrants on that class of land the better it will be for the settlement of the country. I reiterate that in northern Alberta three-fourths of the land available for homesteads is scrub land, which entails a tremendous expense to clear; and any alleviation the department can give to those homesteaders is absolutely in the interest of the country at large. I would strongly recommend that the minister do everything in his power, in the discretion of his department, to allow these men to get their patents without undue hardship or restrictions.

Mr. NEELY: I do not want this section to pass without emphasizing to some extent what has been said by the hon. gentleman who has just taken his seat. When a homesteader applies for patent at the end of three years' residence, or four or five, as the case may be, I do not think it should be left to the homestead inspector at that stage of the proceedings—I do not care whether he has had the power in the

past or not—to decide whether or not that homesteader has fulfilled the requirements of the Act as to keeping so many head of stock, or breaking so many acres of land. I do not know how the difficulty may be worked out, but I do not see how any provision of that sort can fail to be abused as long as human nature is human nature. A homestead inspector should not have that authority. It gives the homestead inspector the power to make it difficult or easy for the applicant as his sympathies may dictate in each instance. The minister has increased the staff very considerably, he has spent a lot of money on that department of the public service and consequently he will not tell us that these men are overburdened with work. If the declaration of the applicant shows that the land is inclined to be rough in character, heavily wooded, and that sort of thing, the beginning of the residence of the homesteader is the proper time to have the inspection and declaration made so that this homesteader may then take his choice as to whether he will carry out his duties by cultivation of a certain area of land or take advantage of the stock provision. That ought to be done at the commencement of the operation and not at the finish. I did not take any part in the discussion this afternoon along these lines. I did not see that I would be altogether justified in discussing what might be somewhat of a partisan question on a public measure, but I do say that no homestead inspector ought to have authority over these men or the right to say a homesteader, who is applying for his patent, has not, in the opinion of the inspector, fulfilled his duties.

Mr. W. H. WHITE: I think the fairest way would be to put a value on cultivation. It might be worth $30 or $40 an acre to break land that is rough and scrubby whereas on the open plain it might only be worth $5. The homestead inspector would be the proper person to value the cultivation and that would be the fairest way. Then it would not be left to the discretion of the homestead inspector except that he would be required to make the valuation. A man would soon know pretty nearly the value of the land and he would know whether it would be worth while going on with it or not.

Progress reported.

ADULTERATION ACT AMENDMENT.

On motion of Hon. W. B. Nantel (Minister of Inland Revenue), the House went into Committee on Bill No. 99, to amend the Adulteration Act, Mr. Blondin in the Chair.

On section 1—definition:

Mr. GRAHAM: If the minister will give us an explanation of what this Bill means, it will expedite it.

Mr. NANTEL: Most of the amendments to the Adulteration Act contained in this Bill are not important. The material one is regarding maple syrup and maple sugar. The first amendment is only a definition of agricultural fertilizers. We have decided to put in the Adulteration Act the same definition of fertilizers as that contained in the Fertilizer Act.

On section 6—standard for maple sugar:

Mr. GRAHAM: Does that mean that maple sugar cannot be mixed with muscavado or brown sugar?

Mr. NANTEL: The amendment contained in the sixth section is that the Governor in Council shall have the right to amend the standard according to the desire of the analyst. If it were necessary, in the opinion of the analyst, to change the standard, this could be done by Order in Council instead of by legislation.

Bill reported, read the third time, and passed.

VOLUNTEER BOUNTY ACT AMENDMENT.

On motion of Hon. Sam. Hughes (Minister of Militia and Defence) the House went into committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, that it is expedient to authorize the payment of a grant of one hundred dollars at any time before the thirty-first day of December, 1915, to every volunteer who is living on the date of the passing of an Act based upon this resolution, who was regularly enlisted in and served with the militia called out for active service in the year 1866 by the Governments of Canada, Nova Scotia or New Brunswick, or in the year 1870, by the Government of Canada, with the exception of certain battalions or riflemen formed for service in the Northwest; and also to provide that such grant may be paid to the widow or legal representative of every volunteer who was living on the first day of April, 1912, and to whom no grant has previously been made under the authority of any Act.

Mr. J. J. HUGHES: I call the attention of the committee to the fact that the province of Prince Edward Island is not in-

cluded in this resolution. Will the minister explain why?

Mr. SAM. HUGHES: There can be no objection to including Prince Edward Island. Of course, the Prince Edward Islander will have to show that he had been called out for active service. We can insert the words 'Prince Edward Island' after New Brunswick.

Mr. J. J. HUGHES: I have prepared a short amendment to add the following words:

Or who has drilled in the province of Prince Edward Island in preparation for repelling the threatened Fenian invasions of 1866 and 1870.

Mr. SAM. HUGHES: No, we will just put in the words 'Prince Edward Island.'

Mr. J. J. HUGHES: If it is made essential that the men had to be called out by proclamation, the volunteers in Prince Edward Island may possibly be excluded, but I presume the minister will not insist upon that as it is likely a technical proof that will be required. The member for Annapolis is uttering the usual hollow laugh he utters when anybody on this side is referring to a question before the House, but that does not make any difference. If the minister is furnished with proof that in any province where preparations were made to repel the invasion threatened at that time, where men drilled and prepared, and where everything was done that could be done under the existing conditions, I presume the minister would be satisfied with that proof. In that year the governor of the colony of Prince Edward Island, in opening the legislature, called attention to the fact that Canada was threatened with invasion, and he asked the legislature to make preparation to meet it. The legislature of Prince Edward Island did make such provision, and it passed a special Militia Act rendering every male in the province, between the ages of 16 and 60 years, liable for military service, excepting a few, such as clergymen and schoolmasters. The legislature then placed the whole revenue of the colony at the service of the governor, who was commander-in-chief. The men of Prince Edward Island secured drill sergeants from the regular army at Halifax, and, at a very great expense to themselves, they carried on drilling operations for a very considerable period of time. I do not know that anything more was done in any province, or that any more could be done. In proof of my statement I will read from the records of the time. In the Parliamentary Reporter for the session of 1866 of the legislature of Prince Edward Island, on April 9, I find this paragraph in the speech of the governor at the opening of Parliament:

11 p.m.

Mr. Speaker, and gentlemen of the House of Assembly:

You will, I am sure, have observed, with just pride, the loyalty and the spirit which your fellow subjects in the neighbouring provinces have displayed, when threatened by piratical attacks at the hands of lawless men. I know that, should an emergency ever unfortunately occur in this island, I could rely with confidence on a like spirit in its inhabitants of every creed and station. But I must seriously urge upon you the necessity of doing all in your power towards making due preparation for such an emergency by giving your earnest consideration to the laws which at present regulate the militia and the volunteer force.

In reply to that speech the legislature said in paragraph 9:

It is with feelings of just pride that we have observed, the loyalty and the spirit evinced by our fellow subjects in the neighbouring provinces when threatened by piratical attacks at the hands of lawless men. And we beg to assure Your Excellency that, should a similar emergency ever unfortunately occur in this island, Your Excellency could rely with confidence on a like spirit in its inhabitants of every creed and station, and we admit the necessity of doing all in our power towards making due preparation for such an emergency by earnestly considering the laws which at present regulate the militia and the volunteer force.

A few days afterwards the legislature proceeded to pass a Militia Act. I quote:

On the motion of the hon. Solicitor-General the House went into Committee on the Bill for the regulation of the militia and volunteer forces.

The militia shall consist of all male inhabitants of the island, from sixteen to sixty years of age, not exempted by law; to be divided into two classes, namely active and sedentary militia; the active to be divided into two classes, namely, volunteer and regular militia.

For the purposes of enrolment and organization, each county shall be divided into as many regimental districts as may be decided upon by the Commander-in-Chief; and each such district shall again be divided into company districts. Each of the former districts to furnish one militia regiment, and each of the latter to furnish one regular and one sedentary company of militia.

And so on.

I find this resolution, moved by the Solicitor General at that time:

Resolved, that in consequence of the threatened invasion of the British colonies by bands of Fenian marauders, this House pledges itself to place the whole of the revenue of the island at the disposal of the Government for the purpose of organizing the militia and

volunteers, and for such other military purposes as may be deemed expedient for the protection and defence of the colonies.

That was accordingly done. The leader of the Opposition at that time, Mr. Coles, seconded that resolution and it passed the House unanimously. In accordance with the laws in force at that time, as I have already stated, all the male inhabitants of the island were called out by that Act and proceeded to drill. I have here letters from men who took part in the drilling at that time.

Mr. EDWARDS: Were all the male inhabitants from sixteen to sixty under arms?

Mr. J. J. HUGHES: All with the exception of the exemptions. I will read a few of the letters to the committee, just to show what has been done by men who are still living. This is a letter from a man named James Feehan, of French village, Prince Edward Island, written on the 24th of February last:

I was one of the militia at that time, 48 years ago. We were drilled weeks at a time, three days each week, and sworn to proceed to headquarters at once on call, to be loyal to the Queen, and do our best to defend the country. One man of our company named Neil McKay, now of New Brunswick, got paid last fall. His claim is no better than mine. There are very few of the number living now.

There are other parts of the letter that do not relate to this matter which I need not read. Here is a letter addressed to me from a man named N. E. Mathewson:

Seeing that you have interested yourself in provincial volunteers and their pay at the time of the Fenian raid, I take the liberty of sending you the enclosed sketch of the Strathalbyn volunteers at the time. I suppose it is too late for any of us who are yet living to look for any recognition.

This is the sketch that he sent:

At the first murmur of danger the young men of Strathalbyn formed themselves into a volunteer company and called themselves the Strathalbyn volunteers. They elected me as their captain, the late Mr. A. B. McKenzie, lieutenant and Mr. Alexander Stewart, ensign. They assembled regularly for drill. I was their instructor, for there was no other convenient, and I had studied the manual then in use, and when we received our rifles, I taught them the manual of arms, and superintended their rifle practice. For some time we were drilled by a sergeant from H.M.O. 16th regiment, then stationed at Halifax. Lieutenant Governor George Dundas, at that time Commander-in-Chief of our island came out to see the company and was pleased with it. A squad of my company camped at the annual shooting match in Charlottetown.

This is a letter from a Mr. Keefe, dated February 18 last:

I drilled at the time of the Fenian raid. The captain of the company I drilled in was Lawrence Peters. Malcolm Leslie was drill sergeant assisted by a drill sergeant from Halifax. Our ages were taken and our height, also sworn in. We were liable to a fine of $25 if we were not in the ranks. We drilled in Souris and Rollo Bay. That would be in lot 44. I was living in Rollo Bay at that time.

Here is a letter from a man now living in Gloucester, Massachusetts:

I have been informed that all the men that served in the militia at the time of the Fenian raid in 1864 and 1865 have been awarded $100 by the Canadian Government. I have been speaking to five or six who have received their money. Now, I drilled for two years at Souris, Rollo Bay and the North Side, East point. I do not just remember our captain's name, but our adjutant's name was Leslie, and our covering sergeant was John McIntyre. As I was born in Souris, I wrote to James Mineghy, but could not get any information concerning the bounty.

Here is a letter from a man named Peter Gormley, who appeared to be active in the service at the time. He gives a list of the men who drilled with him and who went about thirty miles from their homes for that purpose. His letter, which is addressed to myself, reads as follows:

Having read in the paper of the inquiry of volunteers at the time of the Fenian raid of 1866, I will give you a list of some of them. I am informed by those who served or drilled for two years or more, and I was present at every call. The last was at South Port, Prince Edward Island. Every one had to find himself and no pay for their time. Each one had to board or find himself in his eatables. I will give you a list of the people on St. Mary's road.

Here is the list:

Dan. Hughes, Michael Gormley, James Gormley, James McGuigan, Patrick McGuigan, John McGuigan, Thomas McCarron, Dan. McKenna, Thomas Hughes, Bernard McGuigan, Brian McCarron, Thomas Cassidy, Martin McCarthy, William McCarthy, Robert McCarron, Patrick McGee, Alex. Lawson, John Laverty, Colin Steel, Donald R. Steele, Patrick McKearney, Thomas Daly, John McCarron.

I think that if any men in the Dominion of Canada are entitled to recompense for what they did on that occasion, these men are. The Legislature of the province did everything that was necessary. Members of the Legislature at that time said that they were willing that the Prince Edward Island volunteers should go to the other provinces if they could render better assistance in that way than by remaining on the island. I think they did as much as was done by any other province. While the volunteers were not technically called out by proclamation, everything was done that could be done; the procedure was just as complete as if the volunteers had been

called out by Governor's proclamation. I would ask the minister not to insist upon the words 'called out by proclamation.'

Mr. MACDONALD: I think the minister's amendment would not be of any advantage to my hon. friend the hon. member for Kings, Prince Edward Island, because the resolution would apply only in cases where the volunteers had been called out by proclamation of the Governor in Council. I understood my hon. friend to say that while there was no technical proclamation by the Government, there was action by the Legislature which would be substantially the same thing. I assume also from what he said that there was voluntary drilling of volunteers, although there was no regular militia at that time other than that which was initiated under the Act passed that year.

Mr. A. A. McLEAN: Section 2 of the Act passed in 1912 reads as follows:

In this Act 'volunteer' means any person who was regularly enrolled or enlisted in and served with any militia corps which the Government of Canada, or of Nova Scotia, or of New Brunswick called out for active service in the year one thousand eight hundred and sixty-six, or which the Government of Canada called out for active service in the year one thousand eight hundred and seventy, excepting, however, the two battalions of riflemen formed for active service in the Northwest.

As was stated by the hon. member for Kings, the Legislature of Prince Edward Island provided for this emergency. The ninth clause of the Government's speech was as follows:

It is with feelings of just pride that we have observed the loyalty and spirit evinced by our fellow citizens in the neighbouring provinces when threatened by piratical attacks at the hands of lawless men.

Mr. MACDONALD: Does it specifically mention the Fenians?

Mr. McLEAN: The Fenians were the only men who were disturbing the peace of the country at that time. A unanimous vote of the Legislature of Prince Edward Island was passed pledging the whole revenue and resources of the island towards rendering assistance to repel this attack, and at the same session a militia Act was passed. That militia Act was sent to England for the assent of the Queen. Some objection was taken to it by the Colonial Secretary and it was returned with the suggestion that it be re-enacted. In the session of 1866 the Act was repassed with amendments. In the meantime, in the month of January, 1865, all the militia was called out; if you look at the journals of the House of Assembly of Prince Edward Island you will find the Adjutant General's report of the militia of the province. It was an unusual thing to call the militia out at this time; the purpose was that Prince Edward Island should be in the same position as the other provinces so far as repelling the piratical attacks referred to in the Governor's address was concerned. In the year 1865 large sums of money were voted to equip the militia and at the inspection of the militia in the city of Charlottetown in 1865 there were present 1,000 men. That was not an ordinary thing in the province of Prince Edward Island at that time. Of these men, 813 were equipped with uniforms. In the meantime the British Government had loaned the colony a large number of rifles; the Adjutant General's report states where these rifles were and how they were being used. The journals of the House of Assembly of that year show that a large sum of money was expended for the purpose of organizing the militia and of putting them in shape in order that they might go into the field if necessary. So we have the militia of Prince Edward Island in the same position as the militia of Nova Scotia, New Brunswick and Canada. It is true that they were not called out by special order of the Governor of the province of Prince Edward Island, but the Legislature of the province made the provision that they should be put into a position to go into the field if necessary. As will be found in the Adjutant General's report, a number of drills were held; the number of officers and men and the quantity of equipment are also mentioned. Full details may be found in the journals of the Assembly of Prince Edward Island. I understand that all these men were properly enrolled, and that the enrolment lists are to-day in the city of Halifax. When the militia was taken away from Charlottetown six or seven years ago, the militia authorities in Halifax asked that all papers in connection with the militia of Prince Edward Island should be handed over to the Dominion authorities. Without any reference to the authorities in Prince Edward Island, all of the old militia lists were handed over and sent on to Halifax. This was an improper proceeding on the part of Dominion authorities because these lists of the militia of Prince Edward Island before Confederation should have remained in the hands of the provincial authorities. They are to-day, however, in the hands of the authorities at Halifax and

if the minister would take the trouble he could get them and see exactly what the condition of affairs was in 1866. I do not think the conditions in Prince Edward Island differed very much from the condition in Nova Scotia or New Brunswick, and the militia of Prince Edward Island are entitled to the same considerations as the militia of Nova Scotia or of New Brunswick. If the technicality of the calling out of the militia is to be taken into consideration, and if the authorities in Ottawa insist that this proclamation must be produced, we cannot produce it, but I think that the technicality should not be allowed to be insisted upon in a matter of this kind. If the militia in Nova Scotia are paid, those in Prince Edward Island are as much entitled to it as they. It is true that a great sum has been paid to these men and the probability is that many people who are entitled to this grant will not receive it. If the Dominion Government insists that the authorities in each province shall produce the Order in Council, then, of course, the militia in Prince Edward Island cannot get the grant; but I do not think that would be a fair way to deal with the militia in Prince Edward Island, who did as much as the militia in any other province. Many of the militia in Nova Scotia and Upper Canada simply drilled, they were called out and met at a certain place and were inspected by an officer and that is all that happened. They get their $100. Why should not those in Prince Edward Island get theirs? There is no reason. If the Government of Canada insists that that proclamation should be produced, then I would ask them to deal in a different way with the militia of Prince Edward Island, that is to grant the Government of Prince Edward Island a sum equivalent to the money which they spent in the calling out and drilling of the militia and a certain sum for the militia who were called out. There must be some way of dealing with this matter in order to do something for the militia of the different provinces who took part in the emergency.

Mr. J. J. HUGHES: I beg to submit an amendment. I think it will cover the ground and I am sure it will meet with the approval of the minister and of the committee:

That the resolution be amended by adding after the words 'New Brunswick' in the sixth line 'or who drilled in the province of Prince Edward Island in preparation for repelling the threatened Fenian invasion of 1886 and 1870.'

[Mr. A. A. McLean.]

Mr. SAM. HUGHES: I am sure the House is very much interested and instructed by the data which have been placed before us by the two representatives of Prince Edward Island. It shows a splendid spirit in anticipation. But I think the hon. member for King's failed to note that in introducing the subject as he did, by quoting from the proceedings of the legislature of Prince Edward Island that they had observed with pride how the people of the neighbouring provinces had turned out to repel the threatened invasion, he made it evident that the threatened invasion had passed and gone before they were organized. The keynote of the whole matter is that if the militia were called out for active service in New Brunswick, Nova Scotia or Canada they complied with the law, and I am sure my hon. friends from Prince Edward Island would not ask for anything more than the other provinces receive. If they were called out for active service they come under the Act. If they were not called out for active service they do not come under the Act. Therefore, in consenting to insert the words 'Prince Edward Island,' I think ample justice will be done to the people and representatives of that province. The amendment proposed by the hon. member for King's (Mr. J. J. Hughes) would simply hand over the bounty of $100 to every man between the ages of 16 and 60 in the province. There was not a part of the province of Ontario but turned out at that time to drill. In Nova Scotia there was undoubtedly a very peculiar condition of affairs. There was a universal compulsory service law in Nova Scotia, and the entire militia of that province were called out under that Act. It was a rather peculiar condition of affairs. Nevertheless they turned out, they were called out and I believe, from all the evidence submitted to the committee in the House here from representatives of both parties in the province, they turned out loyally and well on that occasion. If there is any evidence of that kind from Prince Edward Island, I would be glad to insert the words 'Prince Edward Island,' but the amendment of the hon. member for King's of course would be ridiculous. It would simply hand over the money to every man in Nova Scotia who was an adult at that time.

Mr. CARVELL: I do not like to harp back and say, I told you so; but if the minister will remember that when the Bill was introduced in 1912 I called his attention to

the fact that he would have a lot of difficulty in the administration of the law, because he did not properly describe what was meant by the words 'called out.' If he will refer to the debate of that year he will find that I particularly called his attention to that fact. I do not pretend to have any more insight into these things than any other member, but from my little knowledge of militia matters I should say that a lot of the difficulty started from that. There were not over 600 in Nova Scotia, and yet he is compelled to stand up and tell us that the men were called out and loyally obeyed the summons. He does not believe that in his heart himself.

Mr. SAM HUGHES: Oh, yes, he does.

Mr. CARVELL: No, he does not. He knows that this is one of the most contemptible scandals in Canadian history. Twelve thousand or fifteen thousand men have received $100 each in Nova Scotia who were never called out in the proper sense any more than I was called out, and I was only born a year or two before that. It is true there was a proclamation by the Government of Nova Scotia calling out the active militia to perform annual drill, probably in anticipation of the Fenian raid. I daresay that they met the technical requirements of his Act. But does the minister believe that a man away down in Cape Breton island who was called out to perform annual drill really complied with the spirit of the Bill passed in 1912 providing a Fenian Raid bounty of $100? That is 48 years ago. Assuming that the man was eighteen years of age when he became a member of the active militia, that would make him 66 years of age to-day Does my hon. friend believe that there are 15,000 militia men in Nova Scotia to-day, 66 years of age, who were members of the militia at that time? It is not possible. I believe thousands of men in Nova Scotia have been paid who were barely born at the time of the Fenian Raid, and my hon. friend knows it. He believes it anyway. It is simply a scandal.

Mr. SINCLAIR: There is evidence that 81,000 men responded to the call at that time in Nova Scotia alone.

Mr. CARVELL: That is the evidence now, I dare say, but go back 48 years ago and what was the evidence then? I think that nearly every able-bodied man in Nova Scotia claims now that he was a member of the militia at that time, and was called out. I was down in Nova Scotia when the minister's officials were going around. In the first place there were two or three officials from Ottawa; then a provincial organizer came down to lead the Ottawa officials round; a county official then appeared, and he was drumming them up. They held meetings in each constituency. I went down with my hon. friend from Guysborough to hold a political meeting at Canso, and the whole crowd was on the same boat drumming up these veterans.

Mr. SAM. HUGHES: Did the hon. member tell them on that occasion that they were all fakes?

Mr. CARVELL: No, I was not discussing that question at all, because I did not believe the minister was going to be fool enough to be caught by it. Perhaps if I had realized how easy the minister is I might have had something to say. They were only getting ready for the coup at that time. I know the minister is flighty, to use as mild a term as possible, when it comes to militia matters, and that he is not governed by the ordinary horse sense that actuates him in the business affairs of life. I think the minister would make every man a Colonel who would accept it, or a Brigadier-General. He would give away all the resources of Canada to militia men if his followers would allow him to do so. But the minister has sane business moments, and he knows that a great fraud is being perpetrated upon his department by the people of Nova Scotia. If he has a law which is capable of being so interpreted that frauds are being perpetrated upon the country why does not the minister amend his law to prevent this, and to bring within its purview those who are properly entitled to the bounty? If it be necessary to bring in Prince Edward Island, bring it in, but on a reasonable business basis. Give these people a bounty if they are entitled to it, but if they are not, do not. I want to compliment the minister in that there has been no scandal in connection with this matter in my province. I think the minister has tried to administer the law fairly in most cases. I have two or three complaints before me, which I shall call to his attention later, but, generally speaking, I think the law has been fairly administered. I think the great majority of those entitled to the bounty have received it. In New Brunswick, there really was an attempted invasion of Canada. I think only three points in the whole Dominion were threatened. One was in western Ontario, another in the Eastern Townships, and the other

point was near St. Andrews, in New Brunswick. The people of New Brunswick responded, generally, and I think there was no outside assistance. They came from Woodstock, my own town, from Fredericton, and different points 100 miles away, and the threatened invasion was repelled. I think they only did their duty; they only did what British subjects ought to do, and what common humanity teaches every man to do—to defend his home and fireside. As I said before, I very much doubt the wisdom of the minister's granting a bounty at all. I do not see any reason why a man should be rewarded for defending his home and fireside in case of emergency. But if my hon. friend is determined—I think for political purposes—to grant this money, surely it ought to be granted in a sane business-like manner, and if he would apply the law all over Canada as in New Brunswick I do not think there would be much fault to find. I repeat that the manner in which these 15,000 people in Nova Scotia have been paid the bounty is simply a scandal. They never expected to be called out on active service; they never realized what it meant, and when the minister passed his law I do not think he realized what it meant. He used the words 'called out,' and it so happened that his friends in Nova Scotia found that the conditions fitted in with the words of the Act, and the minister had not the moral courage to repeal it. I have a few individual cases to bring to the attention of my hon. friend so that he can amend the law to meet these cases. On general principles I want to know if the minister will not try to get down to real honest business, and if he feels he has a right to pass a law providing a bounty to do it in a way that will reflect credit upon his department?

The CHAIRMAN: I must remind the hon. member that the amendment before the committee provides for an enlargement of the provisions made in the resolution under consideration, and therefore I must rule the hon. member out of order.

Mr. SINCLAIR: The motion is before the committee as well as the amendment, and I think members are at liberty to discuss it. I supported this Act at its inception, and I have not changed my mind since. I want to say a few words in response to my hon. friend the member for Carleton (Mr. Carvell). I think my hon. friend is altogether mistaken, and does not understand the facts as regards Nova Scotia at that time. Very great preparations were made in that province—much greater preparations, I have no doubt, than in any other province of Canada. For certain reasons the people of Nova Scotia were very much alarmed at the time. They expected an attack by sea, and the entire militia of the province was ordered out and turned out. There was a very strong force of militia in Nova Scotia at the time, considering the population of the province. No man who reads the history of those days, and the discussions in the local legislature, and who makes himself acquainted with conditions in Nova Scotia at that time, will have any doubt of the fact that there was a very large force of militia prepared to take a hand against this invasion, if it had been necessary to do so; but, of course, everyone is well aware that the real invasion never took place; and that, in the view of some people, is a weakness in the claims of those people for compensation. The title to compensation rests, I understand, on a legal point: on the words of a proclamation which was issued on the 17th of March, 1866, which reads as follows:

Proclamation by His Excellency Sir William Fenwick Williams.

Whereas a hostile invasion of the provinces of Nova Scotia and New Brunswick is threatened, by which the lives and property of Her Majesty's subjects therein may be put in jeopardy, and preparations are necessary to repel such invasion if made:

And, whereas, in such an emergency, I am by law authorized and required to call out the militia force of Nova Scotia in aid of Her Majesty's regular forces for its defence:

I do hereby command and require all officers, non-commissioned officers, and privates of the militia force of Nova Scotia, and all persons liable to perform militia duty in said province, to turn out for actual service as in time of war, according to law, and subject, on failure so to do, to the pains, penalties, and forfeitures thereby imposed and provided.

Of which all persons interested will take notice, and govern themselves accordingly.

Given under my hand and seal at Halifax, this seventeenth day of March, in the year of our Lord one thousand eight hundred and sixty-six, and in the twenty-ninth year of Her Majesty's reign.

By command of His Excellency the Lieutenant Governor and Commander-in-chief.

Charles Tupper.

You will note that this proclamation orders the whole force of Nova Scotia out for actual service as in time of war. The language happens to be the same as the language in the Act which we have passed and I suppose it was unknown to the minister at the time this proclamation existed in the form in which it does. There is ample

proof that the force responded very loyally to this call. Sir Charles Tupper was Premier of Nova Scotia and the legislature met just about that time. On the 19th of March the Premier of the province laid this proclamation before the members of the legislature and he made a statement which is contained in the following minute of the legislature:

Hon. Provincial Secretary laid on the table, by command of His Excellency the Lieutenant-Governor, a copy of the proclamation made by the Commander-in-Chief, calling out the militia of the province, and in so doing moved the following resolution:

Resolved, that this House cordially approve of the action of His Excellency the Commander-in-Chief calling out the militia, as stated in the proclamation now laid on the table, and will provide for any expense required for the adequate protection of the province.

He said the condition of this province in relation to its local defence had occupied the attention of the Government and the Imperial authorities for a considerable period. It was of recent date, however, owing to circumstances to which he need not particularly allude, because they were familiar to every member—owing to the fact that a large body of lawless men were openly and publicly, in the heart of the adjoining republic, threatening the securities, the rights and liberties, of the people of British North America—that the subject had become one of immediate importance.

Mr. Prior said:

That the most cordial reception and the most hearty cheering had greeted the reading of the proclamation of His Excellency the Commander-in-Chief by the regiments who that day had been mustered on the common. He was confident that should the foe invade our province there would be hearts and hands to meet them on the threshold and to defend the hearth stones of our country. He gave this information not because the country would need any additional inducement but in order that the slight and sarcasm that was frequently thrown upon a mixed population like that of Halifax might have no effect.

Sir Charles Tupper also made the following remarks:

Numbers of persons had been sent to Ireland, and large sums had been contributed to a movement having for its object the subversion of the integrity of the empire, by securing the independence of Ireland from British rule. While he believed that by proper precautions being taken we need not continue in apprehension, the Government had felt it their duty to watch most narrowly the course of affairs, and to take such measure as the security of the country might require. After the adjournment of the House on Saturday, information had been received of such character as to demand instantaneous action. Under the law, the only means by which the militia force could be made available for active service was by a proclamation embodying the militia, and placing them in a position in which their services could be readily obtained. He was unwilling to place before the House the information that had been received by His Excellency and by the Commander-in-Chief of Her Majesty's forces, and the House would absolve him from any such necessity, because such a course would be extremely prejudicial to the public interests, as it would have the effect of cutting off the sources of information hitherto at command, and so far from increasing the security would have the opposite operation. But His Excellency had considered the circumstances as of such a grave character, and the danger of an attack upon some part of the province sufficiently imminent to warrant immediate action being taken without waiting to consult the House. The entire militia force of the province had, therefore, been turned out.

That was the statement made by Sir Charles Tupper two days after the issue of the proclamation by the Lieutenant Governor. There was great excitement throughout the province at that time, and on the occasion of the next meeting of the legislature, in 1867, there was a discussion as to what did take place, and reports from militia officers as to the number of men who did turn out to drill. The information is given in great detail. I find that the following statement was made by Sir William Fenwick Williams on the opening of the Legislature:

While the colonies have been subjected to threats and in some instances to the invasion of lawless men our province has been exempted from an attack, and although our local forces nobly responded to the call that was made upon them at the early part of the year to arm for the purpose of defence, happily no necessity occurred to require their services to repel an invader.

The exigencies of the province of New Brunswick rendered it necessary for a time to withdraw a large portion of Her Majesty's troops from this garrison for the protection of that colony—

My hon. friend (Mr. Carvell) led us to believe that the people of New Brunswick were looking after themselves but it appears that the regular forces of Nova Scotia were withdrawn and sent over to New Brunswick for the purpose of protecting the frontier of that province.

Mr. SAM. HUGHES: Also two companies of militia, the Shubenacadie and one more, and some volunteers from Halifax.

Mr. SINCLAIR: Sir William Fenwick-Williams continues:

—and it was with the utmost satisfaction that I was enabled to fill their places for garrison duty by portions of the Halifax volunteer and militia artillery and the volunteer battalion and to mark how well that service was performed. The readiness and good discipline of the officers and men who were then employed showed how much has been effected by the efforts made during the last years to place our

local forces in a proper condition and how much we can depend upon them in the hour of need.

That shows the response that was made to the call. My object in reading these extracts is to show the House and the country that in so far as Nova Scotia is concerned the veterans did their duty and if any recognition is going to be given they deserve to share in it. The Historical Society of Nova Scotia has collected a lot of information in regard to this matter and if any gentleman chooses to look at this book which I have in my hand, he will see a picture of the Sydney Mines volunteers in their regimentals, and with their guns at their sides, drilling in 1866, and preparing to resist the invasion. My hon. friend (Mr. Carvell), runs away with the idea that they did not turn out at all, but here is a photograph which shows that in one section at least they were drilling on that occasion.

Mr. CARVELL: How many men were in the photograph?

Mr. SINCLAIR: You can count them yourself; there is a very great number of men. There is a paragraph in this historical statement that I would like to read to the minister. It shows that prior to 1866, in the years 1863, 1864 and 1865, very great activity existed in Nova Scotia in militia affairs.

Mr. SAM. HUGHES: Forty-four thousand drilled in one year.

Mr. SINCLAIR: I find in this volume, published by the Nova Scotia Historical Society, the following:

> Much good work was done during this year (1864) towards maintaining and improving the force. The counties were divided into regimental districts; the officers and non-commissioned officers were brought into closer touch with the men under their command; the appointment of regimental adjutants was made one of competition, not of favour; and the position of commanding officer of a regiment was conditional on his efficiency, and not necessarily on his seniority in the corps. On 30th June, 105 regiments appeared on the roll, with a total strength of 48,675 officers and men; six months later this had grown to 110 regiments embracing 56,111 of all ranks.

Showing that the militia force of Nova Scotia at that date was very large indeed, compared with the population of the province. If there are 15,000 now in Nova Scotia it would not be a wonderful thing, because 1866 is only forty-eight years ago, and every man who was sixteen years of age was liable to be called out to drill. In my province, where people live to a ripe old age, it is not surprising that out of 56,000 who did actually drill at that time there should be 15,000 living to-day. I do not agree with the statement that young men have been applying for this bounty. That is not the case in the constituency I represent, and I never heard of it in the province of Nova Scotia.

I want to draw the attention of the minister to the provision with regard to the widows of the veterans. The Bill provides for payment of the bounty to the widows of the veterans who were living on the 1st day of April, 1912. I see no good reason why it should be limited to the widows of veterans who were then alive. It appears to me that surviving widows of veterans who died prior to that date have the same right to the bounty as the widows of veterans who were living on the 1st day of April, 1912. Early in the present session I put a question on the Order Paper asking what the view of the minister was in regard to this matter, and he was kind enough to give me an answer which I interpreted to mean that he would make provision for the case of these widows.

Mr. EDWARDS: How many of them would there be in Nova Scotia?

Mr. SINCLAIR: I was surprised, however, when I read the resolution, to find that it did not contain any such provision. I asked the minister:

> Has the Government considered the advisability of amending the Fenian Raid Volunteer Bounty Act so as to make provision for the payment of the bounty to the widows of veterans who departed this life prior to 1912?

Here is his reply:

> Mr. SAM. HUGHES. The Act will be amended if necessary to meet every case that is not settled yet.

The cases of these widows are cases that are not settled yet, and I expected that the minister would make provision for them. I suppose that inadvertently he overlooked it and I hope that before the resolution is finally passed he will deal with this matter.

Mr. MORPHY: The hour is late, but I cannot let the resolution pass without saying a word with reference to the position of affairs in the city of Stratford, in the riding I have the honour to represent, with regard to this matter. At the time of the Fenian raid there was in Stratford what was known as the Grand Trunk Brigade, a body of very estimable

12 m.

men, some of whom are still living but a great many of whom have passed to their reward. Those who are living are looking, not for reward, but for like recognition for their services as that accorded to others. The wording of this amendment is very broad, and it would apply to those who were called out to drill.

The CHAIRMAN: Both amendments have been ruled out of order, and the main resolution is now before the committee.

Mr. MORPHY: In the case of the Nova Scotia veterans, they appear to have been called out by some authority which is not clearly defined, but in the case of the Grand Trunk Brigade of Stratford, the men not only drilled but they went into active service and travelled seventy miles to the American border at Port Huron, defended the lines of communication, and put in all the service that any soldier could perform, until the trouble was over. I have nothing to say against the case of the Nova Scotia veterans, but here is a case which equitably is a much stronger one on which to appeal for recognition. The Stratford men went out as soldiers, performed their duties until all was over, and then were disbanded. I have fought it out with the minister, but he is obdurate. I have not been able to make any headway with him yet, and I give him credit for standing to his guns, but I hope that after hearing my statement to-night he will reconsider the matter. The men who were called out in Nova Scotia merely went to the market square and drilled, but as they were called out by virtue of a proclamation which happens to fit in under the peculiar wording of the Act, they are to be recognized. Surely a brigade like the Grand Trunk Brigade of Stratford, with the regulation uniform, the regulation arms, all the equipment required, going into active service, travelling seventy miles from their homes, and defending their country, ought to be recognized in this legislation?

Mr. A. K. MACLEAN: On what ground does the minister decline to recognize such a fair claim?

Mr. MORPHY: Because the men were not regularly called out by duly constituted authority. The point he makes is that they were not part of a military unit or regiment, and unfortunately in Ontario there were no such wide and generous terms of proclamation as in Nova Scotia. In justice to my constituents, I must call the attention of the minister to this particularly hard case, which discriminates against men who are splendid citizens of Canada to-day. I would ask the minister to see that some legislation be enacted which will provide, that in equity the men who went into active service and who discharged their duty faithfully to their Sovereign and their country, should have their loyalty and patriotism recognized.

There was also recognized in my county at that time and enrolled for the defence of the country what was known as the Crosshill Company of Millbank, many of the members of which belonged to North Perth, and some to North Waterloo. These men drilled, they were advanced some distance towards the front, and then recalled. In Nova Scotia men who went to the market square by virtue of a proclamation are to get their reward, but in the cases to which I draw attention the men who actually went on active service are to be left out in the cold. Probably it is too late to amend the law this session, but I ask the minister in all candour to give it serious consideration and for the nonce to relax that strict military discipline which actuates him and to let his heart soften so that he may bring these men under the terms of some legislation which will give them that reward which is given to others who performed less service in defence of their country.

Mr. LAW: The hour is so late that I feel like apologizing for speaking on this question, but I cannot let the remarks of the hon. member for Carleton (Mr. Carvell) go without expressing my disapproval of them. The hon. member for Carleton is usually sane and clothed in his right mind, but to-night I think he has gone to the other extreme. There are about 800 applicants for the Fenian Raid bounty from the county which I have the honour to represent, and I do not know of a single applicant whose claim is not valid and just and right. I should certainly not wish to think otherwise. If the volunteers of Nova Scotia turned out in such large numbers in 1866, and ran the risk of losing their lives and leaving widows and orphans behind them, the hon. member for Carleton (Mr. Carvell) should not be so severe on them. If the militiamen of New Brunswick, when they found the danger at their door, had taken to the woods, I am sure nobody could find any fault with them if they did not get the bounty which the Minister of Militia is voting for them.

I wish to urge upon the Minister of Militia the advisability of having this bounty paid as quickly as possible. These men are getting very old. Some of the volunteers in the county of Yarmouth are very old indeed. Several of them during this last year have been in very poor circumstances; and, if they had this bounty last fall, it would, no doubt, have prolonged their lives for a time and have prevented some of them from going to the poor asylum, where they died a few weeks after going there. There are other cases of death which have occurred since the bounty should have been paid. The minister is open to censure for not having the bounty paid in the county of Yarmouth when the bounties for the other counties were paid, and I do not see any valid reason why the payment to the volunteers of the county of Yarmouth should have been delayed so long. The minister is also open to censure for not having brought this resolution to the attention of the House before. It should have been brought down before so that these bounties could have been paid before the Easter holidays.

I wish also to refer to the payment of claims of the widows of the veterans who died previous to the passing of the Act in April, 1912. I see no reason why the widows of these volunteers who came out and drilled and were prepared to go to the front, if necessary, should not be entitled to the bounty as much as widows of the men who lived until April 1, 1912. I trust the minister will amend the Act in such a way that the widows of these men may be paid the bounty.

I wish to call the attention of the minister to a circular issued in the county of Yarmouth, dated Chegoggin, N.S., December 2, 1913. I may say that Chegoggin is in the county of Yarmouth. The circular, which is addressed to the Fenian Raid veterans whose claims had been approved at that date, reads as follows:

I have received from Ottawa a list of the applications for the Fenian Raid volunteer bounty that went in from Yarmouth county previous to September 1. Your application has been approved together with about six hundred others from this county. There are thousands of cheques to be issued to Fenian Raid veterans in different counties, which involves a very large amount of extra labour on the Finance Department; but as soon as your turn is reached, your cheque will be mailed to you in a registered letter direct from Ottawa. Congratulating you on the success of your application and wishing you the compliments of the season.

I am,
Yours faithfully,
Howard W. Corning.

[Mr. Law.]

Had Mr. Corning any authority from the Department of Militia to send that circular to the Fenian Raid veterans of my county?

Mr. SAM HUGHES: Neither directly nor indirectly did any Liberal or any Conservative get any information from the Department of Militia concerning any of these names until the papers were laid on the table, and they got nothing except those papers, with one exception, namely, that I spoke to the Prime Minister and gave him data on a certain matter which does not concern the question before the House. Any man who attended the courts of Nova Scotia could have taken down a list of every man whose claim was approved. I have received similar circulars; and when I took my officers to task, they assured me that nothing had been given out by them, but that representatives of newspapers had been sitting in the courts at the time and had checked off the names as the claims were approved. I do not wish to waste the time of the House on such a trivial matter.

Mr. LAW: The answer of the minister is the same as the reply he gave to a question which I put in this House on March 18, of this year. The minister calls it a very trivial matter. I think it is not a trivial matter when Mr. Corning sends out this circular and makes statements which cannot be verified.

In the third paragraph of the circular Mr. Corning says:

There are thousands of checks to be issued to Fenian Raid veterans which involves a very large amount of extra labour on the Finance Department, but as soon as your turn is reached your check will be mailed you in a registered letter direct from Ottawa.

This led the Fenian Raid applicants in the county of Yarmouth to believe that they were to get their checks at once. On December 30, after this circular had been mailed by Mr. Corning, the payments ceased and no further bounties were paid. This caused a great deal of trouble to the applicants in the county of Yarmouth. Many of the men, expecting to get their checks at once, purchased goods or borrowed money, and have been unable up to the present time to repay those from whom they got these favours. The minister is quite right in saying that the Conservatives in the county of Yarmouth are making all the political capital they can out of this matter. I think it is absolutely wrong that the money of the people of Canada should be used for political purposes under the guise of loyalty to these veterans and to their widows.

Permit me to say further that the report circulated by the Conservatives in Yarmouth and other counties that I voted against the Fenian Rail bounties is absolutely untrue. I am in favour of these bounties and I hope that payments will be made to the veterans as soon as possible.

Mr. CARVELL: The remarks made by the hon. member for Yarmouth bear out my assertion that this matter is nothing but a game of politics. The minister himself has said that it is a political matter; let the politicians in Nova Scotia fight it out among themselves. To-day 800 men in the county of Yarmouth claim to have been members of the militia 48 years ago. I want to oppose for all I am worth the suggestion of the hon. member for Guysborough that the widows of the veterans should receive bounties. I think this thing has gone far enough; when you have paid nearly every man who was born in the province of Nova Scotia forty-eight years ago $100, it seems to me that you ought not to pay the widows. The hon. member for Yarmouth spoke about the people of Nova Scotia rallying to the flag and drilling to protect their homes and firesides against invasion. How on earth does my hon. friend think that that band of lawless persons in the neighbouring republic were going to attack Nova Scotia? The whole fleet of the United States at that time consisted of only a few old wooden hulks, and the whole British navy was ready to protect the province of Nova Scotia against invasion by sea. The hon. member for Yarmouth talked as if the people of New Brunswick went to the woods at the time of this raid. I know of a great many people who went to St. Andrews at that time, where there was a possibility of real danger; in my portion of the province of New Brunswick every able-bodied man responded to the call, and none but those who actually did take part in repelling the invasion are asking to be paid. My father was one of the men who enlisted and if he were alive he would be entitled to a bounty. But I want to point out to my friends from Nova Scotia that my mother is alive and she does not want any $100 from this Government because of what my father did on that occasion. I think it is placing a very small premium upon the loyalty of the people of this country to say that after forty-eight years have passed not only the men but the widows should receive grants; ordinary commonsense should impress upon everybody the fact that these men were but doing their duty.

Mr. SAMUEL SHARPE: The hon. member for Guysborough is quite right in resenting the imputation that has been cast upon those persons who have sent claims to the Government for Fenian raid bounties. If the hon. member for Carleton charges that the men who sent in these claims are crooks and perjurers, the Nova Scotia people have a right to resent his imputations in the strongest possible manner. The charges made by the hon. member against a respected body of men in the province of Nova Scotia are the most serious that have been made since I became a member of this House. He has not only insulted the members who have made these applications, but he has insulted the whole province of Nova Scotia. I think there should be an official investigation into the matter, and if the allegations of the hon. member are true, wholesale prosecutions of practically the whole population of Nova Scotia should be made; the men who made these false declarations, as well as the men who helped draw them up and secure the signatures, should be prosecuted. These wholesale accusations made by the hon. member for Carleton should either be proved or withdrawn.

Mr. McMILLAN: Thirty or forty veterans in the county of Glengarry have made application to the hon. Minister of Militia for this grant. I can cite one case, that of the Hon. A. D. Macdonald, ex-Lieutenant Governor for Ontario who was in a village called Lancaster. He was giving the word as he passed along that the Fenians were coming and that there would likely be an invasion near Lancaster. He sent word to Captain Macdonald, of Alexandria, who sent the word out through Glengarry to bring in volunteers, and before six o'clock in the morning four hundred of our stalwarts arrived in Alexandria with pitchforks ready to defend their country. While I have perhaps not the nerve to appeal to the minister for grants to the men who came with pitchforks to defend their duty, I still feel that he is in a rather awkward and embarrassing position. He is trying to do his duty to those who are deserving and when there are so many who are deserving, where is he to draw the line? I would ask the hon. minister of Militia whether the men who came with pitchforks are not as deserving of the $100 grant as those who came with shot-guns, because they did as much duty as far as the defence of the country is concerned. Therefore I feel that I really should appeal to him to

grant them the $100. We have other cases from Glengarry. I hold in my hand the medal awarded to one of those who perhaps was more deserving according to the argument that has been advanced. Two men, Norman McRae and Sandy McIntosh, who were pals in those days, who marched side by side and heart to heart, ready to shed their blood in defence of Canada, applied for the grant when it was announced that the Government had decided to give $100 to the Fenian raid veterans of '66 and '70. In fact these men were the first of the file claims. Norman McRae was Sandy McIntosh's witness and Sandy McIntosh was Norman McRae's witness. They came together and sent in the application, and the result was that McRae got his $100 but poor Sandy McIntosh has not yet received his. I investigated and found that Sandy's name was not on the pay roll but Norman's was. I would ask the minister how it was that Norman McRae got his money and Sandy McIntosh did not. Sandy surely was there because I hold his medal in my hand. If the minister figures this out on the basis of the names appearing on the pay roll in order to entitle a man to the grant of $100, it is wrong, because poor Sandy was there with Norman and Norman was there with Sandy. Norman got the grant but Sandy did not. I think myself that we should perhaps remodel the legislation under which these grants are made. There are many good men who did service, even those who came in with their pitchforks, who were ready to do their duty and who are just as much entitled to the grant as those regularly enrolled in the militia. The Government should settle this matter for all time.

Mr. MACDONALD: We sat very late last night, and the subject of this resolution is not a matter of contention in any specific way for the simple reason that there has been a statute bearing on this matter since 1912. The principle has been recognized that the sum of $100 should be paid by way of bounty to the men who were called out for active service in the years 1866 and 1870. Under the terms of that Act, chapter 53 of II. George V., the time within which these applications could be made in order to take advantage of this Act was December 31, 1913. The minister has now asked the House to extend that time. Practically that is all that is involved in this resolution. In regard to the terms of the resolution, I would point out that there are some things that should be amended. My hon. friend provides for the grant of $100 to every volunteer who is living at the date of the passing of the Act based on this resolution. In view of the fact that in the latter portion of the resolution, in the grant which he makes to widows, that grant is made to the widows of volunteers alive on the 1st of April, 1912, that being the date upon which the Act of two years ago was passed. I think the minister should amend this Act so as to make the money payable to the volunteer who was living on the 1st day of April, 1912, because subsequently he goes on to provide for the payment of the money to the widows or legal representatives of the volunteers who died since that time. As a matter of good drafting, I think that should be done.

I would point out to the minister that I think in the great majority of cases that would be affected by this resolution, the applications are on file in the department, and were on file previous to the 31st of December, 1913. The number of cases in which the grant has not been applied for must be very few, and all purposes would be met by the minister limiting the time for the payment of this money to the end of this present year.

Having regard to every question involved, I think it would be better to have this question settled during this year because otherwise, in view of the expectations which have been raised in the minds of those who have sent in their applications, there would be a great deal of dissatisfaction. I would like to ask the minister to consider amending the resolution by substituting 1914 for 1915. I would also like him to consider the suggestion made by my hon. friend from Guysborough (Mr. Sinclair) as to the pension for widows and whether the time could not be extended. In view of the fact that the principle of this Bill was agreed to about two years ago, and as it is only asking for extension of time, I think the minister might well consider the suggestions which have been made. I think if the minister would ask to report progress and consider the suggestions the results would be as well in the end.

Mr. FOWLER: I am somewhat surprised at the character of the speech which has been made by the hon. member for Pictou. In view of the broad and sweeping character of the allegations made by the hon. member for Carleton, I thought that some one at least of the different members from

Nova Scotia upon that side of the House would have resented those charges against the people of Nova Scotia. Where was the hon. member for North Cape Breton? Why did he sit silent in this House after those charges had been made?

Mr. McKENZIE: The hon. member has thought it proper to introduce my name. The discussion is not yet closed; there is plenty of time to hear from the member from North Cape Breton.

Mr. FOWLER: It is to be hoped that we will. I am afraid the sort of artillery my hon. friend uses is a little obsolete now; the rough bore is going out of fashion. The hon. member for Carleton is so much in the habit of making charges that he cannot refrain from attacking his own friends. I suppose that accounts for his attack upon the people of Nova Scotia to-night. Is it because my hon. friend from Guysborough (Mr. Sinclair) sits so close to my hon. friend from Carleton that he is afraid to resent those charges? We have had a speech from the hon. member for Yarmouth (Mr. Law). He took up most of his time abusing two people: Mr. Corning who was fortunate enough to win an election in Yarmouth against the utmost efforts put forth by the hon. member for that constituency, and that, no doubt, is why he feels so sore against him. The remainder of his speech was taken up by an attempt to censure the Minister of Militia for doing what the hon. member for Yarmouth approves of. The only fault he has to find is that it was not done more quickly, so as to keep a lot of people in Yarmouth out of the poorhouse, because he said that was where they were going last winter.

Mr. LAW: I did not say any such thing.

Mr. FOWLER: It seems to me that the people of Yarmouth will not thank the hon. member for his somewhat unfortunate reflection upon the people of that town. But there are other members from Nova Scotia; there is the hon. member for Richmond. He sits quiet in his seat under the sneers of the hon. member for Carleton.

Mr. KYTE: The hon. member for Prince Albert (Mr. McKay) did not give me a chance to speak.

Mr. FOWLER: I am glad the hon. member still has the use of his speech, which we have often heard in this House—not often with pleasure. I had hoped that some of those members would have resented the charges made by the hon. member for Carleton against the people of Nova Scotia. The junior member for Halifax (Mr. A. K. Maclean) sits silent in his seat under those reproaches. If some member on this side of the House had made that statement in regard to the 15,000 good men and true of the province of New Brunswick—men who did not shed any blood but probably shed some sweat drilling in the market place—and had called those men perjurers because, inferentially, that is what they were called by the hon. member for Carleton, what a row there would have been! I am surprised at the junior member for Halifax, and pained as well, because I did think that with all his faults (which he possesses in a high degree) there was in him some loyalty to the people of his native province. The people of Nova Scotia are not perjurers, I know they are honest men. The generation of 1866 was loyal, and so are their descendants, but so have their representatives in this House fallen that they will permit the hon. member for Carleton to insult them, and yet not one will lift his voice in protest. We have seen the hon. member for Pictou (Mr. Macdonald) wax eloquent in this House in regard to Nova Scotia and its people, yet he was as mild as any sucking dove when he got up to speak. Where have all the fireworks gone? Is the stock exhausted that we did not have an exhibition from the member for Pictou to-night? We might have expected him to hurl back in the very teeth of the gentleman who sits behind him the charges that that hon. member distributed so plentifully with regard to the people of Nova Scotia. Not only has my hon. friend charged the people of that province with perjury, but he has, inferentially, charged the members from Nova Scotia who have been supporting the claims of those people with what you may call subornation or perjury. Gentlemen opposite are as much guardians of the treasury as those who sit on the Treasury benches, yet these representatives are trying to get these bounties granted to people who, my hon. friend says, are not entitled to them. They are helping to rob the treasury of these various $100 bounties against the best interests of the country. I hope some members from Nova Scotia upon that side of the House will do their duty.

Mr. CARVELL: What about that side?

Mr. FOWLER: Members upon this side can always be depended upon to do their duty, but surely the first to spring to their feet should be members on the side from which the hon. gentleman comes who makes the charges. They have failed, and I have no doubt that we will hear from some gentlemen on this side from Nova Scotia.

Mr. DAVIDSON: I was not willing at first to butt into the merry little family quarrel that has been going on on the other side of the House, but inasmuch as I represent a Nova Scotia constituency, and inasmuch as the hon. gentleman who is the offender in this respect evidently expects some remarks from this side of the House, I cannot resist the temptation of making a statement, although the hour is somewhat late. In the first place, I shall refer very briefly to the remarks of the hon. member for Kings, Prince Edward Island (Mr. J. J. Hughes). I think we all sympathized with him in the plea he put forward for the payment of claims to the citizens of Prince Edward Island, even though, as he himself explained, the claims of those people for the bounty are very slight indeed.

Mr. J. J. HUGHES: I made no such statement.

Mr. DAVIDSON: I understood the effect of the hon. gentleman's speech to be that the citizens of Prince Edward Island, who had turned out to drill in 1866, should be paid the bounty.

Mr. J. J. HUGHES: You are correct in the sense that they would not come under the provisions of the resolution when the minister insisted upon them being called out by proclamation, but they were just as well entitled to receive this consideration as the men in any other province of the Dominion.

Mr. DAVIDSON: That is really what I wanted to say, but I have not the facility of speech that my hon. friend has and perhaps the House will pardon me if my remarks are somewhat obscure. The point I wish to make is that it seems somewhat regrettable that when this hon. gentleman was sitting on this side of the House, and when the party of his own political persuasion was in power, he do not take the same interest in this question. Not only did he not make a proposition of this kind when his own party was in power, not only did he not lift his voice for his constituents, but he actually voted against a proposition of this kind. When a gentleman on our side of the House, then in Opposition, advocated the payment of bounties to the Fenian Raid veterans, my hon. friend voted against any proposition of that kind.

Mr. J. J. HUGHES: Tell me when that took place?

Mr. DAVIDSON: It was in the year of our Lord 1906. If my hon. friend looks at page 614 of 'Hansard' of 1906 he will see that Mr. F. D. Monk moved the following resolution:

> That it is desirable that the Government of Canada should recognize in some substantial manner the services rendered during the Fenian raids of 1866 and 1870 by our Canadian volunteers.

Mr. Hughes' name is recorded as one of those who voted against that resolution. I was not only shocked but I was absolutely pained at the very unwarranted remarks which were made to-night by my hon. friend from Carleton (Mr. Carvell). My hon. friend actually states that 15,000 of the good people of Nova Scotia perjured themselves.

Mr. CARVELL: I want my hon. friend to withdraw that statement because I did not make it.

An hon. MEMBER: A big proportion.

Mr. CARVELL: No, nor a big proportion. I asked this House if they believed there were 15,000 men old enough to have been members of the militia at that time. I did not say that they had all perjured themselves. I always stand by what I say and it is not for the hon. gentleman to attribute to me something that I did not say.

An hon. MEMBER: What did you say?

Mr. CARVELL: The hon. gentleman can read what I said, and he can take his own meaning out of it.

Mr. DAVIDSON: I do not want to put words into the mouth of the hon. gentleman that he does not utter because there is no necessity of doing that. I understood him to say that this was a stupendous farce, that it was absurd.

Mr. CARVELL: I said that it was a scandal, and I repeat it.

Mr. DAVIDSON; If there are 15,000 people receiving the payment of this bounty, it means that 30,000 people have made statutory declarations because otherwise the payment would not have been made. My

hon. friend pretends that he has authority for the statement that he makes because he visited Nova Scotia last year and he says that because of that visit he is in a position to speak emphatically on that point. Why was the hon. gentleman in Nova Scotia last year? He was called over by hon. gentlemen from the province of Nova Scotia who occupy seats on the other side of the House to enlighten the people of that province upon political affairs. He addressed a series of public meetings in Nova Scotia. The people of Nova Scotia, Liberals and Conservatives alike, treated him very courteously indeed. They attended his meetings, not in large numbers, but in several places in Nova Scotia electors actually went out and listened to the hon. gentleman speak for two hours. Those of us who have sat in this House and heard the hon. gentleman know what a sacrifice that was on the part of the people of Nova Scotia. Yet that is the way he rewards the hospitality that was extended to him. He comes here and says that the people of Nova Scotia by wholesale would commit perjury. If this hon. gentleman has charges to make of any kind against the people of Nova Scotia let him ask for a committee. The people of Nova Scotia are not afraid that he will establish any charges of that kind. The hon. gentleman is busy, I understand, making charges against public men in the province of New Brunswick. I know nothing about the merits of those charges but if they are no better supported than the very grave charges he has made to-night against a very large number of the citizens of Nova Scotia they are not worthy of the consideration of a commission.

I was pleased to see my hon. friend from Guysborough (Mr. Sinclair) rise to the defence, in a limited way, of the province of Nova Scotia notwithstanding the fact that that hon. gentleman and all the other Liberal members from Nova Scotia, had their faces wreathed in the most approving smiles during the course of the utterances of the hon. member for Carleton. I was very glad when it came to a question of something being recorded on 'Hansard,' to see the hon. member for Guysborough rise to the defence of the province of Nova Scotia. He defended to-night the payment of these claims to the people of that province.

I know very little about any other county than the county I represent in this House, but I do want to say that I do not believe one person who has put in an application from Annapolis has been guilty of perjury. In nearly every particular, in the county of Annapolis, the original rolls are kept showing each day that the veterans attended drill. We have the original records. It is not a case merely of taking the affidavits of these people but we have the statutory proof and if the hon. member (Mr. Carvell), wants to come to Annapolis and to say that the people of that country are perjurers we will welcome him indeed. I think the hon. gentleman will be a little tardy before he again visits Nova Scotia to lecture the people of that province on political questions.

I was rather pleased that the hon. member for Guysborough, even at this late date, rose to defend the action of the Government in this regard, because, as a matter of fact, he has not always been the advocate of the payment of these bounties. I do not think my hon. friend will deny that.

Mr. SINCLAIR: Yes. What does the hon. gentleman mean by saying that I have not always advocated the payment of these bounties?

Mr. DAVIDSON: I will try to explain. In the year of our Lord 1906 the hon. gentleman was in the House representing the county of Guysborough. A resolution was proposed which I have already read, by an hon. member, Mr. Monk. On that occasion did the hon. member for Guysborough vote for Mr. Monk's resolution?

Mr. SINCLAIR: Mr. Monk's resolution had no reference whatever to the payment of $100 to the Fenian Raid veterans. I understood the resolution referred to a land grant.

Mr. DAVIDSON: These are the words:

> That it is desirable that the Government of Canada should recognize in some substantial manner the services rendered during the Fenian Raid of 1866 and 1870 by our Canadian volunteers.

Is there anything there about a land grant?

Mr. SINCLAIR: If you will read the speech you will find he did refer to land grants and nothing but land grants.

Mr. DAVIDSON: I am not reading the speech. I am reading the resolution—the thing that was voted on.

Mr. PROULX: Was there an amendment to that resolution?

Mr. DAVIDSON: And the hon. gentleman (Mr. Sinclair) in 1906 voted against that resolution which did not say anything about land grants, and which merely asked that these veterans be rewarded in some substantial way. Furthermore, in the year

1911, my hon. friend from North Grey (Mr. Middlebro) proposed substantially the same resolution, which is to be found at page 9603 'Hansard':

> That it is desirable that the Government of Canada should recognize in some substantial manner the services rendered during the Fenian raids of 1866 and 1870 by our Canadian volunteers.

It is seen therefore that some years after the first we have a second resolution and nothing about a land grant in it, and yet the hon. member for Guysborough when his friends were in power voted that they should do nothing to reward the veterans.

Mr. SINCLAIR: I desire positively to contradict the statement made by my hon. friend. I was not present; I was not in the Dominion of Canada at the time that resolution was moved in the House.

Mr. DAVIDSON: I will refer the hon. gentleman (Mr. Sinclair) to page 9634 of 'Hansard'. I do not think my hon. friend will repudiate a pair, and I find, among other names on that page, the euphonious name of Sinclair, which I presume means him.

Mr. SINCLAIR: My hon. friend does not find on that page that I voted against the resolution of my hon. friend from North Grey, and if he says so he is not telling the truth.

Mr. DAVIDSON: I will be very glad to hand the book over to my hon. friend.

Mr. SINCLAIR: I was not in the country at the time; I was in England.

Mr. DAVIDSON: The hon. gentleman was paired.

Some hon. MEMBERS: Oh.

Mr. DAVIDSON: Do hon. gentlemen opposite say that pairing is not voting?

Mr. MACDONALD: Certainly.

Mr. DAVIDSON: Do they say that a pair means nothing? I want to say
1 a.m. that it either means something or that the whip on the Liberal side of the House on that occasion practised the grossest fraud on this side of the House. I am a very young member of this House, but I have been a watchful student of 'Hansard,' and I never found yet an instance in which a member of Parliament denied or repudiated a pair.

Mr. CURRIE: He is the first man to do it in the House.

[Mr. Davidson.]

Mr. A. K. MACLEAN: That is not repudiating a pair.

Mr. DAVIDSON: My hon. friend from Guysborough is not alone in this regard, because other members from Nova Scotia, in fact, every single Liberal member who was then representing Nova Scotia, including my hon. friend from North Cape Breton (Mr. McKenzie), including my hon. friend from Pictou (Mr. Macdonald)—

Mr. MACDONALD: Just wait there. I want to say to my hon. friend that he has suppressed the facts in regard to the resolution of 1906. Mr. Monk, in moving the resolution, did not know that there was a Fenian Raid veteran in the province of Nova Scotia, and that resolution was opposed by Sir Frederick Borden, representing the Government, who pointed out to Mr. Monk that Nova Scotia had a large number of veterans whose claims should be taken into consideration. He asked Mr. Monk to withdraw the resolution in order that the whole question might be inquired into, and we voted against Mr. Monk's resolution because he did not know up to that time that there was a single Fenian Raid veteran in Nova Scotia.

Some hon. MEMBERS: Oh.

Mr. MACDONALD: The noisy brigade over there on the other side do not know what they are talking about. Furthermore, in regard to 1911—

Mr. DAVIDSON: I am very glad to have my hon. friend endeavour to correct a mistake, but I do not want him to make a speech when I am addressing the House. I think he occupies as much of the time of the House as I do, and I do not think he should deny me the little time I am taking now.

Mr. MACDONALD: If my hon. friend does not want me to correct a mistake in regard to 1911, I shall not make any further reference to it.

Some hon. MEMBERS: Order.

Mr. MACDONALD: Do I understand that my hon. friend (Mr. Davidson) will permit me to correct a mistake with regard to 1911?

Mr. DAVIDSON: Certainly, you can give your side of the case if you wish.

Mr. MACDONALD: The hon. gentleman will find a list of pairs on the resolution moved by Mr. Middlebro. This resolution was a purely obstructive motion made on

going into Supply, as everybody knows. At the time the motion was made my hon. friend from Guysborough was in England, and the hon. member (Mr. Davidson) indulges in diatribes against him because his name appears in the list of pairs. I was in Nova Scotia at the time; I was not in the House. I never knew the resolution was moved, and how can I be charged with responsibility?

Mr. DAVIDSON: I am very glad to have the explanation of the hon. member from Pictou, because I do not want to do that hon. gentleman any injustice. He is very careful not to do injustice to anybody else, and I do not want to do injustice to him.

Mr. LAW: Did I understand the hon. member (Mr. Davidson) to say that every member from the province of Nova Scotia on the Liberal side voted against that resolution in 1911?

Mr. DAVIDSON: Every member on the Liberal side who was in the House.

Mr. LAW: You did not qualify your statement in that way before.

Mr. DAVIDSON: When this motion was put in 1906, the hon. gentleman appears as voting against it, and he never repudiated the pair until this late hour, when it cannot do him any harm.

Mr. LAW: I am not down there as paired; I defy the hon. gentleman to show it.

Mr. MACDONALD: It is 'Mr. Low,' not 'Mr. Law.'

Mr. DAVIDSON: We will find out about that.

Mr. LAW: The hon. gentleman (Mr. Davidson) had better get on another pair of glasses if he wants to find my name there. I call on him to apologize for his statement.

Some hon. MEMBERS: Oh.

Mr. LAW: I ask him to withdraw the statement. It is absolutely untrue. It has been stated in Yarmouth and in other counties over and over again by Conservatives. The statement is a wilful and deliberate lie. I ask the hon. gentleman, if he is a gentleman at all, to withdraw the statement.

Mr. DAVIDSON: I am very sorry that my hon. friend (Mr. Law) has shown so much heat, because really it is a case where he has to take back water, not I. If he will look at page 647 of 'Hansard,' 1906, he will find his name is there, L-A-W, and while I would like to accommodate my hon. friend and take back any statement displeasing to him, yet as a good constitutional member of this House I am bound to stand by the records, and now I am going to ask my hon. friend from Yarmouth to take back the statement he made.

Mr. LAW: I say I did not vote, and my name is not there as voting, but it may be there as a pair.

Mr. DAVIDSON. The statement I made was that the hon. gentleman appeared as a pair and he said he did not.

Mr. CARVELL: Read the record as it is and let us have it all.

Mr. DAVIDSON: You will find it at page 647.

Mr. CARVELL: We have not all got that volume of 'Hansard' here.

Mr. DAVIDSON: There are a great many names of Nova Scotia Liberal members who either voted or were paired.

Mr. CARVELL: Give us the names of those who voted and those who were paired.

Mr. DAVIDSON: It is really too much bother to pick them out but they are there. My hon. friend from Pictou, and my hon. friend from Yarmouth, and my hon. friend from Guysborough come forward now when their party is not in power, notwithstanding the fact that they appear as voting against this proposition, when their own party was in power. and they now say, when they are in opposition and when they have no responsibility, that we on this side have not gone far enough. They say that we should pay not only those who were alive in the year 1912, and the widows of those who have died since that date, but the widows of all Fenian Raid veterans and their children. All hon. members opposite deplored that the Minister of Militia was so slow and dilatory in making these payments. Had my hon. friends opposite stood to the back of Mr. Monk in 1906, or to the back of the hon. member for North Grey (Mr. Middlebro), in the year 1911 and forced their Government to enact legislation such as we enacted the moment we got into power, then these people would not have had to wait so long; they would have all been paid and a great many widows, whose hus-

bands have died since 1906, in all these counties would also have been paid. Hon. gentlemen opposite cut a very peculiar figure at the present time. When their party was in power, they were very careful as to what obligations their Government would assume; but when they are in opposition, when their words are merely as idle tales, then they are very generous. They remind me of a Bible story. It is recorded in Holy Writ how Lazarus begged alms of Dives in this world and although Dives, when he was alive and had the pull, would not give Lazarus a crumb, after he went to his reward he became very full of concern for his relatives. He thought the Lord could not be trusted to look after his relatives that he had left on the earth, and he wanted to go back to the earth to warn them. Hon. gentlemen when they are out of power, when they have no influence, when between us and them there is a deep gulf fixed, are very anxious to come forward with a great deal of advice and explanation; but it counts for very little and the people understand that.

A great deal of talk was engaged in by the other side in reference to an alleged attempt of the Conservative party in Nova Scotia to make a party issue of this affair. Hon. gentlemen opposite became very wrathful when they referred to the tactics of our side in trying to make political capital out of this. I have yet to learn that such tactics have been practised by our side, but I know that hon. gentlemen opposite have tried to do something very much like making political capital out of this affair. This is one letter, of which I have scores in my desk, which has been sent out to veterans in Nova Scotia:

My Dear Sir:

I have been receiving so many inquiries asking for an explanation as to why the claims of Fenian Raid veterans in Yarmouth county have not been paid, that I thought it advisable to obtain a complete list (which is the first and only one furnished by the Department of Militia) of those whose claims have not been paid so that I would be in a position to give such information on the subject as is available here.

I find your name on the list of those that have been approved. The authority under which this bounty is being paid expired December 31, 1913, and no further cheques can be issued until the Act is amended and provision made for the unpaid approved claims of which there are over six hundred in our county.

The Minister of Militia has given the assurance to the House that legislation will be introduced to authorize the payment of all outstanding approved claims and when this Act is introduced it will receive my hearty and cordial support as the original Act did which passed the House with the full approval and support of all the Liberal members.

I desire to take this opportunity to say that the statement made from time to time in Yarmouth that I voted against the payment of the bounty to Fenian Raid veterans is absolutely untrue, as the measure granting the bounty passed the House without a dissenting voice, and the grant to Nova Scotia veterans was largely due to the energy displayed by some of our Nova Scotia Liberal members.

I beg to assure you that I shall do all I can to expedite the payment to all Yarmouth county veterans.

I remain,
Yours faithfully,
Bowman B. Law.

There is another letter here signed by my hon. friend from Guysborough (Mr. Sinclair), which is exactly the same and in which this striking sentence again occurs:

I desire to take this opportunity to say that the statement made from time to time in certain newspapers that I voted against the payment of the bounty to Fenian Raid veterans is absolutely untrue. The measure granting the bounty passed the House without a dissenting voice, and the grant to Nova Scotia veterans was largely due to the energy displayed by some of our Nova Scotia Liberal members.

I would like the hon. gentlemen to explain what particular energies they displayed in order to make these bounties payable.

Mr. SINCLAIR: At the time that the Fenian Raid Bounty Act was passed, about the 1st of April, 1912, my hon. friend from Annapolis was a member of this House and I have no doubt that he was in his place at the time when this question was asked by myself. He will find the question on page 6255 of 'Hansard' of that date:

Mr. Sinclair: Will the Act apply to men who were called out to drill? I understand that in the province of Nova Scotia a number of men were drafted and collected at some particular place, and submitted themselves to some few weeks of drill preparatory to going to the front, but they never did go. What will be done in the case of those men?

Mr. Hughes (Victoria): The law says they must have been called out for active service and the man who is called out for drill is not called out for active service. He has to be called out in anticipation of meeting the enemy.

My hon. friend was in his place, and he did not rise to say a word against the decision of the minister, who practically said, when the bill was being adopted by this House, that not one dollar of the bounty was to go to Nova Scotia.

Mr. DAVIDSON: What is the date?

Mr. SINCLAIR: March 27, 1912.

Mr. SAM. HUGHES: The mistake was made by the hon. member for Guysborough

who did not seem to know the difference between annual drill and active service.

Mr. A. K. MACLEAN: The hon. minister, one year after this Act was passed, admitted that he did not intend in 1912 that all the people that now come within the Act should be included.

Mr. DAVIDSON: It is absolutely a matter of interpretation of the Act. What the minister said was that every person in Canada who could show that he came under the provisions of the Act would get the bounty. That is exactly the meaning of the statement read by the hon. member for Guysborough.

If any person could prove that he had been called out for active service under that provision, he would be entitled to the bounty. It was up to those interested in the Nova Scotia veterans merely to show that the Nova Scotia militia had been called out for the actual service and then the Nova Scotia veterans would come under the Act. The Bill as passed provides that those persons called out for actual service were entitled to the bounty. Hon. gentlemen representing Nova Scotia constituencies on this side of the House were able to prove—

Mr. MACDONALD: Not a single Tory in Nova Scotia knew that this Act was to apply until last year.

Mr. DAVIDSON: Exactly, we did not know until we hunted up the proof. The hon. member for Guysborough never opened his mouth until we had obtained the decision of the department and until we had notified the public of that decision through the press of Nova Scotia.

Mr. MACDONALD: The first bounty paid in the province of Nova Scotia was paid to a man from my county, upon application which I sent in in the autumn of 1912.

Mr. DAVIDSON: It was not paid until after we had provided the department with the proof that the Nova Scotia militia were actually called out for service.

Mr. MACDONALD: It was paid in December, 1912.

Mr. DAVIDSON: I am familiar with the matter to which the hon. gentleman refers. I read a speech which he made in the county of Pictou and in which he referred to this; I took the trouble to go to the department and look the matter up and I found that this application was not paid until after we had gone to the department and got this decision. Furthermore, the hon. member for Guysborough never said anything about this in the House until he saw the papers coming from our constituencies in which the whole law was explained to the electors, and the proclamation upon which we based our case was set out.

Mr. SINCLAIR: The hon. gentleman is making a mis-statement.

Mr. DAVIDSON: I think I have stood a reasonable number of interruptions.

The CHAIRMAN (Mr. Middlebro): The rule is that unless the member speaking permits it, he shall not be interrupted.

Mr. SINCLAIR: I understood my hon. friend to say that I did not raise my voice at all at the time the Act was being passed, but that I did so later.

Mr. DAVIDSON: I made no such assertion.

Mr. A. K. MACLEAN: The hon. member said that some months after the Act was passed 'we' discovered that all who had been called out for active service were entitled to the bounty. Will the hon. member explain to me and to the committee what he meant by 'we' discovered that certain people were entitled to the bounty, and that it had not been known that they were so entitled at the time of the passing of the Act?

Mr. DAVIDSON: When this Act went upon the statute book members representing Nova Scotia constituencies, who were in the habit of conferring together with regard to these matters, were receiving a large number of letters from Fenian Raid veterans inquiring as to the possibility of their obtaining the bounty. Upon looking at the Act we found that it applied only to those persons who had been called out for actual service. The question then arose as to what constituted actual service, and whether or not Nova Scotia veterans could qualify under that Act. We first went to the department, and the department insisted that proof must be given that the Nova Scotia people had actually been called out for active service. At first we were not able to get any evidence to convince the department, but afterwards we discovered a proclamation that had been issued by the Governor of Nova Scotia, signed by Sir Charles Tupper, who was then provincial secretary of the province, in which all members of the militia in Nova Scotia were called out for active service by the express terms of the proclamation. We presented our case to the department, and the department

said that that was satisfactory. We then, in turn, notified our constituents to that effect.

Mr. MACDONALD: When was that?

Mr. DAVIDSON: We notified our constituents in February, 1913. Applications had gone in from various counties, but no bounties had been paid up to the time when the proclamation was discovered. In March, after certain persons had sent copies of the newspapers containing this information to hon. gentlemen opposite, the hon. member for Halifax, the hon. member for Pictou, the hon. member for Guysborough and several other hon. gentlemen opposite rose, with apparent indignation, and criticised us for following this procedure and for appointing commissioners to take these applications. A few weeks afterwards these hon. gentlemen were doing the same thing themselves.

Mr. A. K. MACLEAN: Doing what?

Mr. DAVIDSON: Following the very course which we pursued.

Mr. MACLEAN: What course was that?

Mr. DAVIDSON: That of informing their constituents, through the press, that those who were called out under the terms of the proclamation were entitled to the bounty, and the further course of appointing competent and intelligent commissioners in the county to take these applications. That was the course we followed, and that was the course imitated by hon. gentlemen opposite.

Mr. SINCLAIR: Does my hon. friend say that it was in February of 1913, when he first discovered that the veterans of Nova Scotia were sure of obtaining the bounties?

Mr. DAVIDSON: No, I said nothing of the kind. Some time previous to February, 1913, we made the discovery and in that month we wrote the press.

Mr. SINCLAIR: The hon. gentleman—

Mr. DAVIDSON: Surely, Mr. Chairman, I have been interrupted often enough.

The CHAIRMAN (Mr. Middlebro): I must rule that no member has a right to interrupt the speaker without his permission.

Mr. DAVIDSON: With regard to this letter sent out by Mr. Law, I understand that all the Liberal members of Nova Scotia circulated the identical letter, under a different name.

[Mr. Davidson.]

Mr. CARROLL: I must give that assertion a most emphatic denial. I have written to every applicant in the county of Cape Breton, but I have written no such letter as the hon. gentleman has read.

Mr. DAVIDSON: I do not wish to do the hon. gentlemen an injustice, and I am happy to accept his explanation. I do not wonder that he protests his innocence and that he desires to escape criticism of this kind. I think it should be borne in mind that every Liberal member from the province of Nova Scotia, when his party was in power, did everything in his power to prevent the Fenian Raid veterans of the province of Nova Scotia from receiving these bounties.

Mr. MACDONALD: That is absolutely untrue.

Mr. DAVIDSON: Hon. gentlemen need not give the lie to me; they will have to give the lie to the records of this House. The records are there; they will speak for themselves. Every time the House was divided upon this question when the Liberal party was in power, hon. gentlemen opposite gave their deadly and hostile opposition to the measure. The moment we got into power we started to redeem our pledges and one of the first acts of this Government was to redeem its pledge in this respect. Hon. gentlemen opposite are not satisfied and those gentlemen who would not do anything when their party was in power are now claiming that this Government is not going far enough.

Mr. A. A. McLEAN: As the Chairman has ruled that an amendment to this resolution cannot be accepted under the rules, I would ask that the minister withdraw the resolution and get the consent of the Governor General to add the province of Prince Edward Island with the others.

Mr. A. K. MACLEAN: You cannot beat Hughes out that way.

Mr. A. A. McLEAN: I understand that this resolution would amount to an increase in the vote and that is the reason an amendment cannot be made. The only way that this can be done is by getting the authority of the Governor in Council, if it is not withdrawn now and a Bill is brought in on this resolution, no amendment can be made to it and I would think the proper way for the minister to do justice to Prince Edward Island would be to withdraw this resolution and bring in another in a few day's time.

Mr. KYTE: The bold and defiant challenge which the hon. member for Annapolis (Mr. Davidson) hurled across the floor of the House to hon. gentlemen on this side has its parallel in the nursery legend of a family in my town. A little boy, two and a half years old, was wearing his first pair of trousers and was very proud of them. He came out on the sidewalk to see if any one would notice them. The butcher came along, stopped his team at the door, and while he was cutting the order of meat which the boy's mother gave, the young fellow stood in front with his hands in his trousers' pockets. The butcher did not notice him. Then the boy went around in front of the horse, looked at the horse and finally said: 'Say, mister, is your horse afwaid of twousies?' I wish to say to the hon. member for Annapolis that I am not afraid of his trousers nor of the hon. member who stands in them. Hon. gentlemen express some surpise that the members from Nova Scotia did not protest against what they were pleased to call an imputation upon the honesty and good faith of the people of the province of Nova Scotia who applied for Fenian Raid bounties. I want them to understand that they are not the first men who are willing to stand up in this House and defend the honesty of the people of that province. But I did not understand the hon. member for Carleton to cast any imputation on the people of Nova Scotia in respect of fraudulent applications for Fenian Raid bounties. What I did understand the hon. member for Carleton to say was that it was preposterous that in Nova Scotia the bounty should be given to men who did not go to the front to repel the invaders who threatened the shores of Canada in 1866, men who simply served in the militia at home, whereas the men in New Brunswick who actually left their homes and went to the front to meet the invaders did not receive a single dollar. If the people of Nova Scotia are enjoying the advantage of a bounty of $100 in respect of the service they performed in 1866 then the people of Nova Scotia have very little to thank my hon. friend from Annapolis for or any hon. gentleman supporting the Government in this House. My hon. friend in the course of his observations endeavoured to fasten upon the Liberal members in this House a charge of having voted against remuneration for Fenian Raid bounties in Nova Scotia when in 1906 they voted down a resolution moved by the hon. member for Jacques Cartier (Mr. Monk). I desire to call the attention of the committee to the fact that Mr. Monk's resolution was not for a pension or for a grant of money to compensate these men for their services. His whole argument was in favour of a grant of land to be paid, not to the veterans of Nova Scotia, not to the veterans of New Brunswick, or of Prince Edward Island, but simply to the men who were called out in Ontario and Quebec in 1866.

Mr. DAVIDSON: Will my hon. friend be good enough to show by the resolution of Mr. Monk where it is stated that it is confined to the people of Quebec?

Mr. MACDONALD: He never heard of Nova Scotia having Fenian Raid veterans when he moved the motion.

Mr. DAVIDSON: I understood the hon. member to say that what the Nova Scotia Liberal members voted against was that payments should be made not only to citizens of Ontario and Quebec. That, furthermore, it was not for a money payment but for land. I ask him to point out, in the resolution which was voted down, anything to that effect.

Mr. KYTE: It is just the size of the hon. member for Annapolis to endeavour to confine my remarks to the resolution. What I propose to do is to direct the attention of the committee to Mr. Monk's interpretation of the resolution. Mr. Monk said:

> As to the kind of acknowledgment to be given, undoubtedly that which has been talked about during these interviews, and probbably on that account is most mentioned amongst the veterans, is a grant of land. We have a very large territory still in the hands of the Government which we are endeavouring to settle. It is most desirable that that territory should be settled as soon as possible and with the best sort of people. I do not think it would be possible to find better men to undertake the settlement of our great Northwest than these men. Objection has been taken on the ground that there are not only the veterans whose claim I am now urging, but also other deserving classes. Reference is made to the volunteers, who, in 1885 went up to the Northwest to put down the rebellion there. There were also those who saw active service during the Boer war in South Africa.

He did not even want these veterans to get the land free. He said:

> I am advocating, not an absolutely free grant of land perhaps to those men, but on account of their merits we should acknowledge their services, the fidelity with which they have performed their duties, and at the same time encourage the volunteer movement, which I think should be encouraged in this country.

Reference to the speech of Mr. Monk will show that his resolution was designed to bring about some recognition for the volunteers in the province of Quebec and in the province of Ontario. He proceeded:

> Scrip might be given to them, quarter-sections might be given to them without conditions and they would do with them what they saw fit, or conditions might be imposed upon them whilst granting them each a quarter-section which would enable them if they would not ensure their own presence on the lands to be settled—because most of them have reached an age when it is to a certain extent impossible for them to go themselves and settle these lands—to delegate the execution of the restrictions upon them for the settlement and for the final patenting of these lots to members of their own families.

Now, Mr. Monk, in the light of the interpretation which he places on the resolution by his own language, certainly was not seeking support for his resolution from the Liberal members from the province of Nova Scotia. These volunteers in Nova Scotia performed their service in 1866. It was forty odd years afterwards that Mr. Monk moved his resolution in this House, and at that stage, when the youngest of these men must have been sixty years of age, the only compensation he desired for them, even if he intended they should benefit by it, was that they should pull up their stakes, leave the homes they had won in Nova Scotia, leave the land which they had cultivated, on which they had brought up their families and go out to the Northwest to take up quarter sections—and even these were not to be free to them.

Mr. S. SHARPE: Under the terms of that resolution might not $100 be given instead of land?

Mr. KYTE: There is an old story about what might have happened if something else had not happened. I am only speaking about this resolution. Sir Frederick Borden said on that occasion:

> I understood one of his arguments to be that after all, this will not be such a serious matter because there were less than 2,000 of these men living in the province of Quebec and some 10,000 or 12,000 in Ontario.

Mr. DAVIDSON: I do not want to interrupt my hon. friend unnecessarily—

Mr. KYTE: Do not do it then.

Mr. DAVIDSON: I said 'unnecessarily.' Is the hon. gentleman quoting from 'Hansard' of 1906?

Mr. KYTE: Yes.

[Mr. Kyte.]

Mr. DAVIDSON: It was in 1911 that the hon. member voted against the principle?

Mr. KYTE: I did not vote against it. To continue the quotation:

> Well, what about the other 15,000 or 20,000 who answered the call to arms and were ready to go to the front and who have since passed away? Are their children not to be recognized? Are we to limit this recognition entirely to the men now living and restrict it to the provinces of Ontario and Quebec? Why not include Nova Scotia and New Brunswick?

There we have the crux of the whole matter. I think that I have convinced you, Mr. Chairman, and members of this committee—even if I have failed to impress the validity of my argument upon the member for Annapolis—that if the members from the province of Nova Scotia were present and voted against that resolution they were amply justified in doing so in the interests of the veterans of that province. If that resolution had been carried not one dollar would have been paid to the veterans of Nova Scotia; not an acre of land would have been granted to them, and yet the hon. member for Annapolis would endeavour to make out a charge of disloyalty on the part of Liberal members of this House against the people of that province because they did not vote away a grant of land to the veterans of Ontario and Quebec. I am not so sure that my hon. friend from Annapolis was always so considerate in respect of the claims of the people of Ontario and Quebec. I recall that in years gone by, when the province of Quebec was sending a very substantial majority to support the Liberal Government, my hon. friend from Annapolis was not so considerate or so anxious to accord favours to the people of that important province. So much for the resolution moved by Mr. Monk in 1906. I say that if that resolution were before the House to-day I would vote against it, and I venture to say that the hon. member for Annapolis would not have the courage to stand up and support it.

Mr. DAVIDSON: Most emphatically I would support it.

Mr. KYTE: In 1911 another resolution was moved in this House by yourself, Mr. Chairman (Mr. Middlebro), and I find it is in the exact terms of the resolution moved by Mr. Monk in 1906.

Mr. S. SHARPE: How did you vote?

Mr. KYTE: I will tell my hon. friend. The information will come just as soon as he wants it. The resolution moved in 1911

by yourself, Mr. Chairman, read as follows:

> It is desirable that the Government of Canada should recognize in some substantial manner the services rendered during the Fenian Raids of 1866 and 1870 by our Canadian volunteers.

It is unnecessary for me to remind you, Mr. Chairman, that the time and manner in which you moved that resolution made it absolutely a resolution of want of confidence. But, Sir, I am not going to justify upon that ground the action of any Liberal member from Nova Scotia for voting against that resolution. I pointed out that the resolution which you moved, Sir, was in the exact terms of the resolution moved by Mr. Monk. But the hon. member for Jacques Cartier interpreted what his resolution meant. It meant that the volunteers of Ontario and Quebec, only, should be compensated for their services, and compensated in respect of a grant of land in the Northwest. Before you closed your speech, you also interpreted your resolution in the following language:

> It is not for me to say what form that recognition should take, whether a grant of land or a pension. If a pension, it is to be remembered that most of these men must be close to 80 years of age and cannot live long. I think it is as little as the Government can do to give some substantial recognition to these men who came to the aid of the country in time of stress.

It will be observed that it was your desire, Mr. Chairman, that either a grant of land, or a pension should be given to the volunteers who took part in the defence of their country against the Fenian raid of 1866. Does the Act passed by the Minister of Militia in 1912 provide for a grant of land or a pension to the volunteers of 1866 and 1870? Do the veterans of Nova Scotia, who came out to drill in 1866, get a pension or a grant of land, according to the intention that you had, when you moved your resolution? Therefore, when hon. gentlemen say that hon. members from Nova Scotia, or any other province, who voted against the resolution moved by yourself, voted against the grant of $100 to the Fenian Raid veterans of Nova Scotia, they are stating what is absolutely untrue, and which cannot be justified by the facts. I was not present when the vote was taken in 1911.

Mr. S. SHARPE: Oh, oh.

Mr. KYTE: My hon. friend across the way is inclined to be jocular, but perhaps I can give an explanation of why my vote was not recorded against that motion, which will even satisfy him. Parliament adjourned that year about the 24th of May to enable the right hon. leader of the Government and other members to attend the coronation of His Gracious Majesty King George V. Parliament resumed on the 18th of July. That was on Tuesday. I left my home on Monday morning for the purpose coming to Ottawa by the fastest and most expeditious route. I went by the fastest and most expeditious route, but did not arrive in Ottawa city until a quarter to twelve on the Tuesday night following. Before I arrived here, the motion of the hon. member for North Grey had been disposed of; the vote had been taken, and I had not recorded my vote.

Mr. DAVIDSON: Is the hon. gentleman's vote not recorded against that?

Mr. KYTE: My vote is not recorded against it, as the record shows.

Mr. DAVIDSON: I think the record shows exactly the opposite.

Mr. KYTE: My hon. friend has been long enough in Parliament to have some idea of the elementary principles that govern with regard to divisions, and inasmuch as he has not been able to master them I will explain them to him. When a special vote is to be taken at a certain definite time it is usual for any two members to pair on that particular vote. Such a pair was not recorded as regards my vote. Parliament adjourned on the 24th of May. The hon. member for North Grey had not intimated in any manner whatever that he intended to bring a resolution of that kind before the House. Not a single member in the House knew that the hon. member intended to move such a resolution; certainly I had no intimation of it. That being the case, and Parliament having adjourned on the 24th of May, and having resumed on the 18th July, having received no notice or intimation from the hon. member for North Grey that he was going to move that resolution, how could I have been paired on that vote?

I would like to ask any hon. member if he thinks that on every motion that is brought up, and on every vote that is taken which is not specifically brought home to him, he is bound by a pair made for him in his absence for the convenience of the whips.

Mr. DAVIDSON: Does the hon. gentleman want an answer?

Mr. KYTE: I must object to the hon. gentleman interrupting me any further.

Mr. DAVIDSON: I understood the hon. member to ask a question.

Mr. KYTE: I did not ask the hon. gentleman any question because I know I could not get any information from that source. It is well known that there are dead pairs, that there are pairs which are alive and that there are pairs which are farcical. We do know that when a vote is taken in the House and when members on either side happen to be absent, in order to make it appear, that members are always in their places in the House, the two whips get together without reference to the opinions, wills or wishes of the men who are absent, and say: Put down the name of so-and-so on the Liberal side against the name of so-and-so on the Conservative side and that is the way in which formal pairs are made. I am not endeavouring to shirk any responsibility in respect to my vote on the resolution of the hon. member for North Grey. In view of the fact that the resolution of the hon. member for North Grey was in the exact words of the resolution of Mr. Monk who stated that he had reference to grants of land to the Fenian Raid veterans, in Quebec and Ontario, and in view of the fact that the hon. member for North Grey stated that he was not certain whether he wanted a land grant or a pension for the volunteers in Ontario and Quebec, I would have been amply justified in voting against the resolution because it did not cover the case of the Fenian Raid veterans of Nova Scotia. My observations in regard to my own vote and my own pair on the resolution of the hon. member for North Grey in 1911 apply absolutely to every other Liberal member from the province of Nova Scotia who was not present during that vote.

We can point to the Bill passed in 1912, which is the subject more particularly of the discussion here this evening. My hon. friend the Minister of Militia and Defence having been aware that a considerable agitation had developed and continued in Quebec and Ontario for some years in respect to the compensation that ought to be paid to Fenian Raid veterans, considered that the time was opportune to deal with it. I venture to assert that before I have concluded my observations I will be able to prove that the hon. Minister of Militia and Defence, like the hon. member for Jacques Cartier, did not have in mind compensating the Fenian Raid veterans of Nova Scotia. The veterans of Nova Scotia and New Brunswick were not in his mind at the time; he simply had reference to the veterans of Quebec and Ontario when this Bill was under discussion. I quote from 'Hansard,' 1912:

Mr. Currie: Might I ask the minister if it is intended to give the men of 1866 the same amount of pensions for wounds as the 1886 men got?

Mr. Hughes (Victoria): This is not dealing with pensions at all. That would have to be done by way of special Act.

Mr. Broder: This applies to veterans of 1866 and 1870.

Mr. Hughes (Victoria): If a man were called out in active service in either year. Some men were out only a week, and they come in under the Act; some were out three months and they get just the same. It is a thing one cannot possibly equalize in any other way.

Mr. Sinclair: Will the Act apply to men who were called out to drill? I understand that in the province of Nova Scotia a number of men were drafted and collected at some particular place, and submitted themselves to some few weeks of drill preparatory to going to the front, but they never did go. What will be done in the case of those men?

Mr. Hughes (Victoria): The law says they must have been called out for active service and the man who is called out for drill is not called out for active service. He has to be called out in anticipation of meeting the enemy.

Mr. Sinclair: I have no doubt it was in anticipation of service, but the raid, as everybody remembers, was short. These men were not required to go to the front, but they were drafted. They went through the process of being drafted, selections were made from each regiment and those men that were selected, were taken from different places and submitted to drill preparatory to going to the front, but there was no call for them to go to the front.

Mr. Hughes (Victoria): My hon. friend will realize from his legal knowledge that if the official notification to the officers in the locality called out these troops in a certain year for preparatory drill only, then they do not come under the Act. If they were called out for active service—as certain of the Nova Scotia volunteers were called out, and went to the front—they do come under the Act.

There cannot be any question as to what was in the mind of the Minister of Militia and Defence. According to his interpretation of the Act which he was endeavouring to get through Parliament, it was only such men, such volunteers, as were called out and went to the front that were entitled to the volunteer bounties provided for by the Act.

The hon. member for Annapolis was sitting in his place at that time and other hon. gentlemen from Nova Scotia, support-

ing the Government were, I presume, sitting in their places but yet not a single one of them raised his voice in behalf of the men of Nova Scotia who came out to drill but who were not called to the front. Therefore the hon. member for Annapolis, as every other hon. gentleman from Nova Scotia, knew absolutely, in view of the interpretation which the minister gave to that section, that not one of the men in Nova Scotia who drilled in 1866 would profit to the extent of a single dollar in respect to that bounty.

Mr. SAM. HUGHES: Not one man in Nova Scotia who was simply called out to drill has received the bounty or will receive it.

Mr. KYTE: If he was called out?

Mr. SAM. HUGHES: Not one man in Nova Scotia who was simply called out to drill, unless he has perjured himself—and I do not believe that any man has perjured himself—has received the bounty or will receive it. He must have been called out for active service.

Mr. MACDONALD: If he was called out in response to the proclamation, even if he only drilled, he receives the bounty.

Mr. HUGHES: If he was called out for active service.

Mr. KYTE: Did he go to the front?

Mr. SAM. HUGHES: Yes.

Mr. KYTE: He went in spirit to the front but in body he lagged behind.

Mr. SAM. HUGHES: I am sorry to hear the hon. gentleman slandering the people of Nova Scotia and to see him joining hands with the hon. member for Carleton (Mr. Carvell).

Mr. J. J. HUGHES: Where was the front? Was it in Nova Scotia?

Mr. SAM. HUGHES: Prince Edward Island.

Mr. KYTE: I have a letter that was written by the hon. member for Lunenburg (Mr. Stewart) in respect to the Fenian Raid bounty. It is as follows:

Bridgewater, N.S., November 14, 1912.
F. C. Lavers, Esq., M.D.,
New Ross.

Dear Sir,—I have your letter of recent date re Fenian Raid Bounty Act.

The Act as it stands at present only applies to those who saw active service and those who drilled under the old Nova Scotia Militia Act in 1865 and 1866, are not on that account alone qualified to receive the bounty. They must also have seen active service and who saw active service at that been on the pay roll of the country.

Yours truly,
(Sgd) Dugald Stewart.

Another letter reads as follows:

November 1, 1912.

The Act you refer to was passed last winter and referred to those times of the Fenian Raid. Just what the most liberal interpretation of active service means has not been clearly defined, but so far only those who were in active engagements or were on the pay roll of the country at the time, are recognized as being entitled to the bounty.

Therefore, as late as November, 1912, seven months after the Act had been passed and received the assent of His Royal Highness, a member as closely associated with the Minister of Militia as the hon. member for Lunenburg believed in his mind and heart that only those men who went to the front were entitled to the Fenian Raid bounty. I think I have some more proof as to what men higher up in the councils of the Government believed. Last session of Parliament the following question was asked the Right Hon. R. L. Borden by Mr. Sinclair:

Are the parties who subjected themselves to drill and who made preparations to go to the front if they were required entitled to share in the bounty that is to be given to Fenian Raid veterans?

Mr. Borden: I regret that I am not in a position to give my hon. friend any very definite information on the subject, as the question to which he has alluded has not been brought to my personal attention. I would suppose that it would depend upon the terms of the statute and upon the construction placed upon the statute by the legal advisers of the Department of Militia and Defence.

I wonder if the member for Annapolis (Mr. Davidson) was the legal adviser called in by the Government to interpret the Act passed by this Parliament. Then again, Mr. Macdonald said:

The hon. minister should make an authoritative statement as to whether or not any one in the province who did not respond to the call for active service which was made under proclamation in the spring of 1866, but who did perform military service in that year, is entitled to receive anything under the Act. The interpretation of the Act seems to be reasonably clear, and I ask these questions for the purpose of adding the weight of the authority of the hon. minister to the information already at hand, so that Parliament and the country will understand exactly what the policy of the Government is on the subject. What did Col. Sam Hughes say in answer to that question:—

The answer of the Minister of Militia and Defence was:

The Governor of Nova Scotia on the 17th day of March issued a proclamation calling out the volunteers of that province for active ser-

vice on the 18th. They had only twenty-four hours' notice but the men turned out in large numbers and drilled for a few days until the scare was over. At the time the Act was passed I had not read the proclamation, but my attention was drawn to the fact that the proclamation issued to the people of Nova Scotia actually called them out for active service. Every man therefore who can prove that he was called out and that he turned out to drill under that proclamation for active service, is, under the law, entitled to a bounty.

No change has been made in the regulations. The hon. member for Pictou county, (Mr. Macdonald) has correctly interpreted them. The consideration of the subject involves the question of actual service as compared with annual drill.

Mr. SINCLAIR: Who said that?

Mr. KYTE: The present Minister of Militia and Defence. It is obvious from this quotation I have read that at the time this Act was passed it was not contemplated that any person except those who went to the front were to share in the Fenian Raid bounty.

Mr. SAM. HUGHES: Would the hon. gentleman be good enough to confine himself to the language I used?

Mr. KYTE: I have read the language used by the minister.

Mr. ROGERS: What is the hon. gentleman reading from?

Mr. KYTE: I am reading the answer of the Minister of Militia and Defence.

Mr. HUGHES: What is the page of 'Hansard'?

Mr. MACDONALD: March 28, 1913.

Mr. KYTE: If it were not for the accident of the Minister of Militia having his attention called to a proclamation issued by the Governor of Nova Scotia on March 17, 1866—

Mr. SAM. HUGHES: Will the hon. member read the language I used and not his comments?

Mr. KYTE: I read the language of the minister. I assure the minister that I do not desire to misinterpret him, but sometimes the minister uses language that ordinary members can not always follow or are familiar with. If I cannot use the very concise, although sometimes curt, language of the minister it is my misfortune but it is not my desire to mislead. If it were not for the fact that the proclamation issued by the Governor of the province of Nova Scotia on the 17th of March, 1866, had been dug out of the dusty archives of the province of Nova Scotia, no such interpretation would be given to the Act as would enable the people of Nova Scotia to get any acknowledgment in respect of their services performed in the Fenian Raid of 1866. I think I have satisfied the members of this committee that it was never intended that Nova Scotians, other than those who actually went to the front, should get a single dollar of Fenian Raid bounty, and yet while such a restrictive interpretation was placed upon the legislation by the Minister of Militia, not a single Conservative member from the province of Nova Scotia got up to enter his protest against the unfair discrimination against the people of Nova Scotia. It was the Monk resolution over and over again; it was the resolution of the hon. member for North Grey (Mr. Middlebro) over and over again. I nearly made the mistake of saying that the Conservative members from the province of Nova Scotia in 1906 voted against the Monk resolution, but it so happened that there was not at that time a single Conservative member from Nova Scotia in this House to vote against the resolution, and that is why they did not vote against it. In the general elections of 1904 there was not a single Conservative elected in Nova Scotia, so that if the names of Conservative members from that province do not appear as having voted for the Monk resolution, it is owing to circumstances over which they had no control. In view of the arraignment made by the hon. member for Annapolis (Mr. Davidson) against my hon. friend from Yarmouth (Mr. Law), for having voted against the Monk resolution, I must assume that had my hon. friend from Annapolis been in the House, and had other Conservative members from Nova Scotia been in the House, then they would have felt bound to vote for the Monk resolution; a resolution which, according to Mr. Monk's own language, only provided for grants of lands in the West for the veterans of the provinces of Ontario and Quebec, and under which there was not a single dollar of money or a single acre of land to be given to the veterans of Nova Scotia, New Brunswick and Prince Edward Island.

2 a.m.

Mr. MACDONALD: You mean they would have voted against the Monk resolution.

Mr. KYTE: I say that in view of the strictures made upon the hon. member for Yarmouth for having voted against the

Monk resolution I am bound to assume the Conservatives would have voted for it if they had been in the House. The hon. gentleman from Annapolis stated that the Monk resolution was a perfectly proper resolution to vote for, and he condemned my hon. friend from Yarmouth for having voted against it, and, therfore, I am bound to assume that if there was a Conservative member from Nova Scotia in the House at that time, he would have supported the resolution of Mr. Monk and would have voted for gifts of land to the veterans of Ontario and Quebec without providing a single grant of an acre of land or a dollar of money for the veterans of Nova Scotia, New Brunswick and Prince Edward Island. Had I been present in this House when the resolution of my hon. friend from North Grey was moved, and had I voted against that resolution, I would not thereby have been voting against the grant of $100 each to the veterans of Nova Scotia, because on the admission of the hon. member for North Grey himself, he had in mind either the granting of land or the granting of a pension for the Fenian Raid veterans, neither of which is secured to the veterans of Nova Scotia by the Bill under consideration.

I have no doubt there are some other observations made by my hon. friend from Annapolis that merit passing comment, but I shall not refer to them at this late hour. I only desire to say further that so far as the applications from the county I have the honour to represent are concerned, they are made in good faith and are supported by absolute evidence, and they have been filed in the Department with the most honest intention on the part of every applicant. From my county some 650 applications have been received, of which 444 have been paid. Some doubt has been expressed that there could be living at the present time 15,000 men in the province of Nova Scotia who were old enough to come out and drill forty-eight years ago. For the enlightenment of my hon. friend from Carleton, I desire to say that there is to-day living in the county of Richmond one aged citizen who did not qualify for the Fenian Raid bounty because he did not come out in 1866. The reason that he did not do so was that he was too old to come out. That man is still living. He is a loyal citizen, born in the good old English county of Devon. He still possesses all his faculties and is one of the most intelligent men I have ever met. I shall be glad, if the hon. minister does us the honour to visit the county of Richmond, to take him to the home of this aged man and show him how the healthful climate of the county of Richmond—and it is not confined to the county of Richmond alone, but is common to the province of Nova Scotia—preserves men to a great age with the possession of all their faculties. Therefore it is not extraordinary that there are 15,000 men living in the province of Nova Scotia who are qualified for the Fenian Raid bounty.

I desire to impress upon the minister the desirability of bringing down his legislation as speedily as possible, so that applications filed in the department in the months of September, October and November of last year will be promptly paid.

The hon. Minister of Militia seems to be somewhat mystified as to how certain lists of Fenian Raid applications became circulated throughout the province of Nova Scotia. At an early date in this session, I put on the Order Paper a notice of motion for return showing all the applications for Fenian Raid bounties in my county. The hon. minister intimated that it would be extremely difficult to get such a list as it involved a large amount of work. I stated that I had already seen a copy of that list, and that therefore it could not be very difficult to duplicate it. The hon. minister seems to express some doubt that there exists anywhere in the province of Nova Scotia lists of Fenian Raid bounty applicants. When the Fenian Raid Bounty Commission visited the province of Nova Scotia in 1913, the members of the board were all provided with lists of the applicants in that province. The local members of the board in each county also have lists. Therefore, it is not extraordinary if copies of these lists got out. The information came, I suppose, through the officers of the department, properly, and not through the officers having any desire to violate the instructions they had received.

The hon. minister stated, in answer to my hon. friend from Yarmouth (Mr. Law), that it was possible that some person might have attended the courts in the province of Nova Scotia and taken down each claim as it was passed. I am afraid that the hon. minister is not very familiar with the procedure and duties of that court or he would not have urged that as an explanation. The duties of the members of the board who visited Nova Scotia did not impose any obligation upon them to investigate individual claims. They simply visited Nova Scotia to ascertain whether or

not the different regiments, claimed to have been called out, and of which individual claimants were members, had been called out. It was not their intention or purpose to receive proof of individual claims. The moment they proved that regiment No. 3, for instance, in the county of Richmond had been called out, that proof, taken with the claim of each individual member that he had drilled with the regiment, was proof that the applicant was entitled to the $100. In no instance did the Fenian Raid Bounty Commission, sent to the province of Nova Scotia, undertake to prove individual claims. There were instances where men came forward who believed that, unless they gave oral testimony before the board, they would be jeopardizing their right to the Fenian Raid bounty. The members of the commission, with that courtesy which always characterizes officers of the militia, were good enough to take their testimony; but I was assured by the chairman of the board that it was not necessary to so substantiate their claims.

I desire to support the request of my hon. friend from Pictou (Mr. Macdonald) and of my hon. friend from Yarmouth (Mr. Law) that provision should be made in the Act to pay all the surviving widows of Fenian Raid volunteers, no matter at what date those volunteers died. Those aged widows, who have been widowed for twenty or thirty years, are possibly more in need of the hundred dollars than those widowed since 1912. There is no logical, no real compassionate consideration which can lead the hon. Minister of Militia to confine the payment of these bounties to the widows of men who have died since 1912. Under all the circumstances, the widow of every man who came out in 1866 is entitled to the Fenian Raid bounty no matter at what date her husband may have died.

Mr. SAM. HUGHES: Possibly I might assist in a solution of some of the questions that have arisen. There is no objection to changing the figure '5' to '4,' and letting the payment conclude in 1914. The mere fact that the words 'Nova Scotia' or 'New Brunswick' occur in the resolution, I should imagine would be conclusive proof that I had in my mind the fact that there were volunteers from Nova Scotia and New Brunswick who were entitled to come under this Act at the time it was passed. I knew from general knowledge of the affair at St. Andrews, that the regulars and some volunteers had been called over to St. Andrews. I understood that a company from Halifax had gone and that to replace the regulars in the garrison at Halifax, a number of volunteers had been called out. I never saw the order which called out the volunteers in Ontario, Quebec, New Brunswick, or Nova Scotia. Therefore it did not matter to me whether there was an order or not. The law was here and no man could come out on active service unless he had been called out under those orders.

There is a difference between annual drill and active service. Annual drill is just being called out to perform the ordinary drill, for the year. Nova Scotia has this drill every year. In 1866, Nova Scotia drilled in August or September. No man who merely drilled in August or September could possibly get the bounty unless he perjured himself, and I do not think any man in Nova Scotia intentionally did so. My officers have assured me that the men from Nova Scotia were a fine body of men. Active service refers to those who were called out under the proclamation made at the time of the emergency spoken of to-night. In Nova Scotia they were called out for annual drill some time during the summer of the same year. Those who were called out to actual service are entitled to the bounty and those who came out for annual drill are not entitled to it.

Mr. J. J. HUGHES: Speaking earlier in the evening, the minister said that the people of Prince Edward Island were too late in drilling to qualify for the bounty.

Mr. SAM. HUGHES: I said that the Governor in his address spoke about how proud they were to have observed the splendid manner in which the Nova Scotia and New Brunswick people had turned out, showing that the emergency had then passed.

Mr. J. J. HUGHES: The emergency could not have passed, because the minister under this proposed legislation intends to pay the men who drilled as late as 1870, four years afterwards. The minister is certainly discriminating against the province of Prince Edward Island. The legislature passed a special Militia Act to meet the conditions; all the able-bodied men in the province met to drill for that special purpose. Surely that is just as good as if they were called out by proclamation of the Government. The very fact that the minister takes shelter under a technical point is conclusive proof that he does not wish

to deal fairly with the people of Prince Edward Island and with the men who drilled on that occasion for that special purpose. The minister said that if he recognized that the volunteers of Prince Edward Island were eligible for consideration under this resolution, a very large number of men would claim the bounty. He considered that to be an argument against it, while the fact that a great number of men in the province of Nova Scotia are eligible under this resolution is considered meritorious. You could not get better proof that the minister does not want to act fairly toward the people of my province and does not intend to do so. If any further proof were necessary, I would point to the fact that the minister was willing to amend the resolution to include Prince Edward Island, but in such a way that it would not give the men of Prince Edward Island one dollar. I do not think that any greater proof of insincerity could be adduced.

Mr. SAM. HUGHES: It would suit the hon. member a great deal better to devote a little more energy to looking up the records and finding out whether or not any persons in Prince Edward Island are entitled to this bounty, than to come here and make insinuations. It has not been shown that the men in Prince Edward Island are entitled to this bounty. If the hon. member will produce evidence to show that one man in Prince Edward Island was called out for active service, I will bring in a new Bill.

Mr. J. J. HUGHES: I produced that evidence this evening. I have a great deal of evidence, but the minister does not want to receive it.

Mr. SAM. HUGHES: I certainly will not pay for annual drill.

Mr. J. J. HUGHES: This was not annual drill; it was special drill for a special purpose. What better proof does the minister want?

Mr. SAM. HUGHES: I do not think the hon. gentleman is competent to judge.

Mr. J. J. HUGHES: I am not competent to judge of what the minister may think, because he has very peculiar ideas and commits very peculiar actions. Amongst other things, for a minister of the Crown, he is neither courteous nor dignified. The hon. member for Annapolis said that I voted against the motion made in 1906 by the member for Jacques Cartier. It has been proved and demonstrated beyond the shadow of a doubt that that resolution was not intended to apply to the Maritime provinces at all, and was not intended to apply in any way to the province of Prince Edward Island. I was justified in voting against that resolution; I would vote against a similar resolution to-night if one were presented, and I am justified in voting against the resolution now before the committee because it unfairly discriminates against my province. The hon. member for Queens, Prince Edward Island, supporting this Government, made a very fair suggestion to the Minister of Militia and Defence, but he would not accept it. I say again that there is proof that this Government does not want to deal fairly in this matter with the people of Prince Edward Island, and the hon. member for Queens knows it. The hon. member for Jacques Cartier did not want to deal fairly with Prince Edward Island in 1906, and hon. gentlemen opposite, now in power, desire still to discriminate against that province. They use this money only where they think it will be of political advantage to them; they take the money of all the people to buy the political support of some of the people.

Mr. SAM. HUGHES: The hon. member for Kings, Prince Edward Island, wishes certain concessions made to Prince Edward Island.

Mr. J. J. HUGHES: I do not want concessions; I want fair play.

Mr. SAM. HUGHES: Does the hon. member want every other province of Canada to be similarly treated? Does he wish that every man who drilled during that period shall get the bounty?

Mr. J. J. HUGHES: The minister is doing the same in the other provinces; I simply want fair play for Prince Edward Island. The men of Prince Edward Island drilled specially for the purpose; they could not do any more and no more was done in any other province. I think they are entitled to some consideration.

Mr. MIDDLEBRO: Three or four companies in my riding, and dozens in the surrounding districts, went so far as 50 miles from home to drill in 1866 and 1870, and they have been refused anything under this Act.

Mr. CARVELL: I have nothing to take back that I said to-night regarding this matter. I do not accuse 15,000 people in

Nova Scotia of perjuring themselves; I have too much regard for the assertions that I make and for the people of Nova Scotia to say anything like that. But I do not believe that there are 15,000 people in the province of Nova Scotia to-day who were actually called out in the month of March, 1866, to repel an invasion. It is not common sense to believe that more than 25 per cent of the persons who belonged to the militia of the province of Nova Scotia 48 years ago, who must have been 18 or 20 years of age at that time, are alive to-day. I said this thing was a scandal; I repeat it, and the only man I am blaming is the minister. I do not blame the members from Nova Scotia for digging up an old proclamation upon which they get the minister to take action in this matter; that is their business.

When the minister tries to hide himself behind a play on words as he has done to-night when he says to the member for Kings: I will not pay the man who performs annual drill but only the man who was ordered out, he knows he is only playing on words, helping on this scandal. He admitted by his own interpretation of this clause, when I challenged him in 1912, and told him there would be trouble over this pension and who were called out, the minister gave his interpretation, and I admit it was very reasonable. But even then I could see difficulties ahead. The minister then said that the man who was called out under the Act as he interpreted it would be the man who actually was called out and went to face the enemy, not the man who performed his annual drill. The minister stuck to that for a year. I do not know what caused him to change his mind, but he changed his mind, and now we have the spectacle of every man in Nova Scotia who can prove that his name was on the pay roll and that he was sixteen years of age, being entitled to this bounty. My object in raising this discussion was to see if the minister would not abandon the unreasonable interpretation which he places upon his statute, or, if he cannot do that, change it and bring it around to reasonable common sense.

The hon. member for North Grey raised a question with a good deal of merit. He said that he has two or three regiments and scores of individuals who went fifty miles down to the lake, really to the frontier, intending to be ready to repel an invasion, as my father did and as thousands did in New Brunswick. But the minister says: I have never been able yet to see a proclamation calling out the troops in Ontario or Quebec, and therefore I cannot recognize them. Why cannot the minister be reasonable?

Mr. SAM. HUGHES: The minister never said anything of the kind.

Mr. CARVELL: I took down his words at the time, I have not yet seen the order in Ontario and Quebec.

Mr. HUGHES: The hon. member to be honest anl square should follow up his lines. He says that I gave that as my reason for not recognizing these men. He knows that is unfair and that I said nothing of the kind.

Mr. CARVELL: My hon. friend need not get indignant; it will not do any good.

Mr. HUGHES: I intend that the hon. member shall be honest when he addresses me.

Mr. CARVELL: My hon. friend might as well cool off, because I can stay here as long as he can, and there is no use getting indignant. My hon. friend has three or four measures to get through this House, and I advise him to be cool. When my hon. friend brings in legislation of this kind he need not expect to get off without criticism.

Mr. HUGHES: I want honest criticism.

Mr. CARVELL: And you will get it; you will get criticism of every kind, and you deserve all you will get and a good deal more.

Mr. HUGHES: Certainly from men of your class.

Mr. CARVELL: I was referring to the position taken by the hon. member for North Grey. It is a reasonable position. The minister says: I have not yet seen an order in Ontario and Quebec, and the only conclusion I can arrive at from his statement is that because he has never seen any order to bring out these troops en masse he cannot recognize the troops in Ontario, Quebec and New Brunswick as he can those in Nova Scotia. I think that is an illogical conclusion and if my friend would not fly off the handle because it is a little late we would not have such exhibitions of temper as he exhibited a few minutes ago.

Mr. HUGHES: I notice the hon. member for Carleton is fairly cool now.

Mr. CARVELL: No, the member for Carleton never loses his temper and he can usually stick to his text. I have several cases in New Brunswick exactly in a line with the case brought forward by the member for North Grey. I have written the minister about four men at least in Charlotte county. I have sent him the correspondence. There is a man named J. Milliken who was right on the ground, within a few miles of where the actual invasion took place at St. George. He is one of a number who were on guard night and day for a month, men belonging to No. 3 company of home guards. They received their arms and accoutrements from the capital of the province, Fredericton. They were ordered out by Col. Wetmore, in charge of the militia forces in that portion of New Brunswick. These men were called out by somebody, it is true not by a proclamation made by the Governor, and the men referred to by North Grey were called out by somebody, possibly not by the Governor of the province. Surely my hon. friend can get broad enough, surely he can see the justice of this contention and will amend this resolution. He has it in his power now. It is not going through to-night, he will have time to think over it and dream over it and surely he can amend it and bring down a reasonable Bill. I am not pleading, I have always taken the ground that a man should not be paid for defending his fireside. I take that ground to-night. But if my hon. friend, for political purpose and nothing else, is going to introduce legislation like this, then I am like the member from Kings, I say that every portion of this Dominion should be treated alike and treated fairly. If my hon. friend is going to say that, because of the digging up of an old musty record of the city of Halifax, the volunteers of the province of Nova Scotia had a right to this money on a technicality, surely my hon. friend ought to big enough man to amend his law; if he does not want to reduce the men of Nova Scotia, bring everybody else in Canada up to that level. If he cannot bring other people up to it, cut them down, get it into some sort of reasonable shape. Take the men mentioned by the hon. member for North Grey. Take the men I have referred to here in Charlotte in New Brunswick and the men in other places who actually were called out, I do not say by the Government, but by somebody over them, in this case by Colonel Wetmore, the chief military officer of that portion of the province. These were men who were called out, who went to the front, who complied with all the technicalities and the definition laid down by the minister when the Bill was introduced two years ago. Surely my hon. friend can be big enough to amend his Bill and take in the men who really, in all common sense and honesty, ought to be included in this and not stick to the jug-handled interpretation which he is applying. I think I am justified in saying, in view of what has taken place to-night, in view of the statement of the hon. member for Annapolis that they did not know anything about this for a year after the Bill was passed until finally they found the old proclamation, in view of all this the minister ought to come down to the House with a reasonable measure, which will give the bonus to the people entitled to it and put every province and every person in this Dominion on a fair footing and get the Bill through and make an end of the whole matter. I do not think that the minister should get chesty because some criticism is made of this measure and I do not think that the member for North Ontario and Kings and Albert have helped him along very much by attempting to throw stones at me because I do not mind them very much and, as I said before, I usually come back and say what I want to say in the end. I think I am putting to the minister now a reasonable proposition. I am only asking him to change the law and make it reasonable and apply it to every section of Canada alike.

Mr. HUGHES: I know the cases of these four men. I have looked them up. They undoubtedly turned out voluntarily as did thousands in the county from which I come, and drilled, but I have never yet seen an order from Colonel Wetmore ordering these men out. If the men can produce that we will be glad to see it. We have looked into the case as carefully as possible. We have had men down there in every case; the officers in charge have done their level best to follow the cases up.

Mr. CARVELL: Here again is where I contend my hon. friend is not reasonable. One of these four men is no less a person than Senator Gillmor, a man alive and well to-day. All these men have made affidavits, but Senator Gillmor does not want the $100; he holds the same views as I do. The other men do want it. What better evidence does my hon. friend want than that?

Mr. HUGHES: I am not the board.

Mr. CARVELL: Then make a law to comply with it; make the law fair.

Mr. MACDONALD: I think that every hon. gentleman will agree with me that we could discuss this resolution much more effectively in daylight.

Mr. HUGHES: On the second reading.

Mr. MACDONALD: My hon. friend will make the change in 1914?

Mr. HUGHES: Yes.

Mr. McKENZIE: There was such a strong attack made upon the members of Nova Scotia by the hon. gentleman who was put up by the minister for that purpose—

Mr. HUGHES: Now, now, he can get up himself.

Mr. McKENZIE: When the minister has any legislation of any character to put to the House, if he has anything to say to members on this side of the kind that was meted out to us to-night, it would be more to the purpose and more manly, if I may use the word, for him to say it himself than to get a muck dredge like the hon. member for Annapolis, who has one spout in the air and another in the mud, to do the service.

Some hon. MEMBERS: Order, order.

Mr. McKENZIE: I think the minister would do well to dispense with this muck dredge performance the next time he has a resolution to put through. I must say that I cannot congratulate the hon. member for Annapolis on the way in which he handles Holy Writ. He might know something about muck dredges and things of that sort, but when he goes into the realms of Moses and the prophets I am afraid he is on territory that he knows nothing about. There are certain things which we should all observe. I am not now referring particularly to the hon. member for Annapolis. When there is a real scoundrel walking up and down this country nature provides against his making havoc among the people by putting a certain stamp upon his face that warns them: This chap is a scoundrel, look out for him.

Mr. DAVIDSON: I hope my face compares favourably with the hon. gentleman's.

Mr. McKENZIE: The Lord has put a stamp on the face of the hon. member for Annapolis which says: You are prohibited from handling the book of Holy Writ; To you it is a sealed book; the seven seals cannot be touched by you. The hon. member for Annapolis showed to-night that the holy volume is to him a sealed book of which he knows nothing whatever. He made a most unfortunate comparison: he put himself up as the wealthy man who had all the power behind him, and spoke of us poor chaps on this side of the House as Lazarus. Perhaps there is some truth in the comparison; poor Lazarus was licked by a dog. My hon. friend will not perhaps wish to apply that part of the Scriptures to himself. There was another point; the rich man passed through the dissolution of the tabernacle and in hell he lifted up his eyes. Does the hon. member for Annapolis wish to apply that portion of the Scriptures to himself? I trust he will go home and say his prayers before he does the disappearing act in a chariot of fire, smelling of brimstone. This is the very cheap vaudeville that we have received from the hon. member for Annapolis. I suppose the minister gave him a trial before he took him on, just as actors undergo before going on the boards. I suppose he performed before the minister. There is an account of a certain damsel who performed before a king who promised her anything to the half of his kingdom. I suppose the minister had this man perform before him before giving him the task of abusing members on this side of the House. If so, I cannot congratulate him on his judgment in giving the job to the hon. member for Annapolis. There are some hon. gentlemen on that side of the House who could have done this thing with better effect, and whose word would be accepted with some degree of credence and weight in the country. The minister will find that the faults of the man he chose are something like the faults in the Frenchman's horse. A Frenchman had traded a horse. He said: 'Now that we have made the trade I might as well state that the horse has two faults.' 'Oh, what are they?' 'Well', said the Frenchman, 'when you let him go he is pretty hard to catch, and when you catch him he is not worth a damn.'

Some hon. MEMBERS: Order, order.

Mr. McKENZIE: It may have been difficult for the minister to get a man to perform the muck dredge act, but when he did get one he turns out to be something like the Frenchman's horse. If the hon. member for Annapolis thought he was going to make capital against Nova Scotia members by his performance he is very much mistaken. For myself—and I am but the least among the members of Nova Scotia—I am not at all afraid of any attack

the hon. member for Annapolis will make upon me in the eastern part of Nova Scotia, or in the county I represent. As to what took place in this Parliament in 1906, I must plead all ignorance, for I was not here. I first came to the House in 1904; I resigned early in 1906, and came back again in 1908. So what took place in 1906 is not attributable to me in any way whatsoever. But if I had been here when that resolution was passed, so long as the resolution had reference only to Ontario and Quebec, and involved no benefits to Nova Scotia, I would have recorded my vote against it. The same resolution exactly was repeated when I was here in 1911, and for two reasons I voted against it: first, because it was brought in as a vote of want of confidence; and secondly, because it was exactly similar to the resolution introduced in 1906 having reference particularly to a grant of land; the people of Nova Scotia at that time could not go out to the West, and the grant of land under the conditions mentioned would have been of no benefit to them. I submit therefore that in view of what was involved in the resolutions of 1906 and 1911, they were not capable of conferring any advantage on the veterans of Nova Scotia, and we have committed no sin in voting against them. Since then the legislation that the minister has brought down for the purpose of paying $100 has come before Parliament, and I have given it my cordial support. On the 28th March, 1912, I made these observations:

> I would ask the minister if there is any clear definition of what is meant by a volunteer? I think that when the men were called out and went into camp, and were prepared to go to the front, they should be regarded as volunteers. Any man who went into camp to drill by reason of that raid, and was prepared for active service, should be called a volunteer. Having turned out and gone into camp, even though it was not necessary for them to go to the front, still I think they are entitled to recognition.

That is the position I took, and that is the position I take now, I never saw any letters forwarded such as were read by the hon. member for Annapolis. I had tried to help people in my county to put their claims properly before the department. I helped hundreds of them, and I would help them again. Several little mistakes happened in the department, for which I do not blame them, owing to similarity of names, such as Macdonalds, Mackenzies and Campbells, and other causes. The member for the county can be serviceable in straightening out mistakes that are liable to occur. As representing the electors in my county, I tried to help them out in that way. Many gave wrong addresses, or mistakes were made resulting in the address turning out wrong. Cheques were held in the Finance Department because they did not have the right addresses. I have straightened out very many of these things. If the hon. member for Annapolis thinks it a censurable action on my part to help an old gentleman who may be in my county and does not get his cheque, I do not agree with him, because I think it is my duty to help him as quickly as possible. I am doing that. Every member has such duties to perform, and I presume he performs them. The hon. member for Annapolis, I presume at the suggestion of the minister, comes forward, lashes himself into a fury, and tries to foment the whole House and make little of us through the province of Nova Scotia because we are trying to help out the veterans in our respective counties in getting the bounty which the minister has been kind enough to give them. This should not be a matter of politics at all. It should not have been dragged into politics. I do not think we have any right to try and make politics out of it. I do not say what we might have done but we are not to be accused of what we might have done when we have not done it. It is not a matter of politics, it is a matter of recognizing deserving acts performed by patriotic citizens forty or fifty years ago. When the hon. member for Annapolis broke out in a fury and endeavoured to make political capital out of it he disregarded every higher consideration which this gift by the minister might involve. There are other things that perhaps we can deal with later on. I am sorry indeed that this gift on the part of the minister and of the Government has been used in the vilest possible form in every election in Nova Scotia from the little town elections to the top notch elections it is used in every shape for corrupting purposes. I presume that was not the intention of the minister and I am sure he would do well if he would try and put an end to it as quickly as possible. I make these observations so that 'Hansard' will not go out this morning with the flaring observations of the assistant deputy minister of Militia, the hon. member for Annapolis, and without some statement in defence of the position that I have taken.

Mr. MACDONALD: In the second line of the resolution I understand that the min-

ister has agreed to put '1914' instead of '1915.' Then, in place of the words 'to every volunteer who is living on the date of the passing of an act based upon this resolution,' I suggest that the minister make it read 'to every volunteer who was living on the first day of April, 1912.' This resolution is continuing chapter 53 of the Act of 1912, and that language is there. 'Every volunteer who was living on the date of the passing of this Act,' which was April 1, 1912, is the language used. If the minister would make that change, then the latter part of the resolution would be consistent with that which provides for the payment to widows of parties who were living on that date. Then, the last words of the resolution read: 'and to whom no grant has previously been made under the authority of any Act.' That does not appear in chapter 53, and I do not know that it is relevant. I would suggest that, while we have no objection to the resolution going through, the minister would be wise if he would frame his act so as to make clear the points that I have called his attention to.

Mr. SAM. HUGHES: I will read two clauses of the proposed Act. The first two sections are the same as those in the previous Act. Then, section 3 provides that:

The Governor in Council may at any time before the 31st December 1915—

We will change that to 1914.

—grant the sum of one hundred dollars to every volunteer who is living on the date of the passing of this Act.

Mr. MACDONALD: They must have been living on the 1st day of April, 1912.

Mr. HUGHES: In order to be living to-day they must have been living then. Then, section 4 reads:

The Governor in Council may at any time before the thirty-first day of December, one thousand nine hundred and fifteen—

That will be changed to 1914.

Mr. EDWARDS: Has that been decided upon? I do not agree with the hon. member for Pictou on that point.

Mr. HUGHES: We can fight that out on the second reading.

The Governor in Council may at any time before the thirty-first day of December, one thousand nine hundred and fifteen, grant the sum of one hundred dollars to the widow, or, through being no widow, then to the legal representative, of every volunteer who was living on the first day of April, one thousand nine hundred and twelve, and to whom, or on account of whose services as a volunteer, no grant had previously been made under the authority of this act or under the authority of the Fenian Raid Volunteer Bounty Act.

The object is to prevent the trouble of probating.

Mr. MACDONALD: The minister distinctly agreed earlier in the evening as to it being 1914 and that has been eliminated from the discussion. I am speaking particularly for the people in our province because all our applications are in. If there are any people who have not put their applications in the time can be extended but from our standpoint, and I think in the interest of the whole country, it is desirable that the matter should be closed up as soon as possible. Our discussion on the question has gone upon the assumption that the minister gave us that assurance earlier in the evening.

Mr. EDWARDS: I do not think you are justified in taking that position.

Mr. MACDONALD: The minister said so.

Mr. EDWARDS: I did not understand it in that way.

Mr. SAM. HUGHES: My legal officers advise 1914.

Resolution reported and concurred in.

Mr. HUGHES thereupon moved for leave to introduce Bill No. 176, to make further provision for bounties to volunteers who served the Crown during the Fenian raids.

Motion agreed to, and Bill read the first time.

On motion of Mr. Rogers, the House adjourned at 2.55 a.m. Thursday.

Thursday, May 7, 1914.

The House met at Three o'clock, the Speaker in the Chair.

CANADIAN NORTHERN RAILWAY PAPERS.

Mr. BORDEN: I beg to lay on the table the following papers:

1. Copy of a trust mortgage of October 4, 1911, between the Canadian Northern Railway Company and the Guardian Trust Company, Limited, and the British Empire Trust Company, Limited, and His Majesty the King and the Canadian Northern Railway Company;

2. A statement setting forth a list of companies whose total issued stock is owned by the Canadian Northern Railway Company;

3. A statement setting forth a list of companies whose total issued stock is to be transferred to the Canadian Northern Railway Company;

4. A statement setting forth a list of companies in which a controlling interest is to be transferred to the Canadian Northern Railway Company.

I beg also to lay on the table three copies of the second report of the auditors who were employed by the Government in making inquiries into certain affairs of the Canadian Northern Railway Company and other companies constituting the Canadian Northern Railway system.

There are also some additional copies of papers already brought down which I place on the table for the convenience of members:

A statement of the capital stock authorized and issued in the companies set out in the first schedule.

Also some additional copies of the engineers' statement of the estimated cost of betterments.

Further copies of correspondence, including official application and detailed statement showing the particulars of capitalization, earnings and cost of building.

Two additional copies of the first auditors' report which were laid on the table yesterday.

Two additional copies of the second auditors' report

These are [illegible] systematic order, but the House will see to it that they are placed in order.

Sir WILFRID LAURIER: Does this complete the information that the Government is to bring down with regard to this matter, or is there something yet to be brought down?

Mr. BORDEN: My right hon. friend (Sir Wilfrid Laurier) alluded to a trust deed of December 28, 1913. I cannot get information as to that.

I also lay upon the table of the House the correspondence to which I alluded a moment ago, consisting of a telegram from the Premier of Nova Scotia, a telegram from the Premier of British Columbia, a cablegram from the Premier of Alberta and a letter from the acting Premier of Saskatchewan—all in regard to the granting of aid to the Canadian Northern Railway system.

COMPANIES ACT AMENDMENT.

Hon. LOUIS CODERRE (Secretary of State) moved for leave to introduce Bill No. 177, to amend the Companies Act. He said:

This Bill is designed to provide certain amendments to the Companies' Act which are considered to be necessary. Section 2 provides that companies incorporated under the Companies Act shall be entitled to issue share warrants and section 3 provides that companies shall be authorized to permit the issue of debentures and debenture stock to the amount of $100. It has been suggested to the Department by a number of persons interested in obtaining money from Europe for investment in Canadian enterprises that larger sums for investment may be obtained if authority is given to issue debentures in smaller amounts. It is also provided that companies shall have the power to re-issue debentures. These are the main features of the proposed amendments to the Companies Act.

Motion agreed to, and Bill read the first time.

PRISONS AND REFORMATORIES ACT AMENDMENT.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 178, to amend the Prisons and Reformatories Act. He said:

The purpose of this Bill is simply to substitute the word 'Truro' for the word 'Halifax' in order properly to indicate the location of the Nova Scotia reformatory, which has been changed from Halifax to Truro.

Motion agreed to, and Bill read the first time.

CRIMINAL CODE AMENDMENT.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 179, to amend the Criminal Code. He said:

The purpose of this Bill is to constitute it an offence, and subject to a penalty, knowingly to publish or cause to be published any advertisement for promoting the disposal or sale of property of any kind, containing any false statement. It has been represented that there have come into existence very wide-spread abuses in connection with the advertising of properties for sale, more particularly with regard to the advertising for sale of real property.

The Act, of course, does not purport to go further than to make it an offence for a person knowingly to make a statement representing something to be a fact which is not a fact.

Motion agreed to, and Bill read the first time.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

MELVILLE POST OFFICE.

Mr. MACNUTT:

1. Referring to question No. 9 on Thursday, April 30, who were the others mentioned in paragraph 2 of the answer as made by the Postmaster General?

2. What action has the Department of Public Works taken or proposes to take, and what reply has been made to communications on the same subject referred to that department?

Mr. ROGERS: No requests nor petitions received direct by the Department of Public Works. No action will be taken, at least for the present.

QUEBEC HARBOUR APPLIANCES.

Mr. LEMIEUX:

What was the difference between the lowest Canadian tenders and the lowest British tenders for each of the following appliances purchased abroad for the Quebec Harbour Commission, namely: the crane, the dredge, floating grain elevator and service boat?

Mr. HAZEN:

(a) British tender was $16,533 lower than Canadian for the Crane.

(b) No Canadian firms were invited to tender for this dredge.

(c) For the floating grain elevator offers were only received for the elevating machinery. No Canadian tenders for the plant.

(d) For the service boat no suitable offers were received from Canadian firms, only second-hand boats being offered.

POINTE FORTUNE WHARF.

*Mr. BOYER:

1. What total sum has been spent for the repairing of Pointe Fortune wharf?

2. Who had the contract for that work?

3. Who supervised the work?

4. What was the foreman's salary and the number of work days and the total amount paid to him?

5. What are the names, the number of days and the amount paid each of the other men who have worked in the repairing, together with the names of the carters and the daily salary of each of them?

6. Who supplied the material and what is the amount and the nature of their accounts respectively?

Mr. ROGERS:

1. In 1912-1913, $244.79; in 1913-1914, $996.94; $1,241.73.

2. Day's labour.

3. Under supervision of district engineer Michaud.

4. George Lalonde: 1912-1913, 18 days at $3, $54; 1913-1914, 26 days at $3, $78; $132.

5. 1912-1914: Edmond D. Séguin, carpenter, 18 days at $2, $36; Alfred Dubois, carpenter, 17 days at $2, $34; J. B. Campeau, labourer, 9 days at $1.50, $13.50; Omer Lalonde, carter, 9 days at $2.50, $22.50; $106.

1913-1914: Joseph Champagne, carpenter, 26 days at $2.50, $65; O. Campeau, 25 days at $2.50, $62.50; A. Bertrand, 17 days at $2.50, $42.50; O. Roy, 25 days at $2.50, $62.50; M. Roy, 20 days at $2.50, $50; A. Gauthier, 13 days at $2.25, $29.25; E. Lauzon, 24 days at $2, $48; J. Fournier, 22 days at $2, $44; L. Gilardeau, 10 days at $2, $20; M. Désormeau, 11 days at $2, $22; D. Campeau, labourer, 24 days at $1.50, $36; O. Boileau, labourer, 13 days at $1.50, $19.50; $501.25.

6. 1912-1913: The Grier Timber Company, lumber, $11.44; the Ottawa River Navigation Company, freight charges, $4; Alphonse Dugas, smithwork, $3.85; George Lalonde, sr., hardware, $6; George Dansereau, lumber, $59.50; $84.79.

1913-1914: T. Hunsley, stone, $44.25; B. Fournier, cartage, $2[illegible] Alphonse Dugas, smithwork, $9.7[illegible], hardware and gravel, $[illegible], $213.69; S. Cole, st[illegible]reau, lumber, $19.[illegible]

VICTORIA RIFLE RANGE.

Mr. SINCLAIR:

1. Is the Government constructing a rifle range in the vicinity of Victoria, B.C.?

2. If so, what is the area of the land acquired for the purpose and what sum was paid for it.

3. From whom was it purchased, and when?

Mr. SAM. HUGHES:

1. It is proposed to construct a new rifle range in the vicinity of Victoria, B.C., and land has been cleared preparatory to commencing construction.

2. 442·28 acres have to date been acquired for the sum of $101,423 (including interest charges amounting to $3,451).

3. Ronald A. C. Grant, Arthur Lineham and Eleanor Lineham. Property purchased February 26, 1913.

VANCOUVER ISLAND ENGINEER.

Mr. SINCLAIR:

1. Is J. S. Maclachlan resident engineer for the Public Works Department on Vancouver Island?
2. If so, what is his salary? If not, when did he cease to act in that capacity, and what is his present position?
3. Is Mr. Garnet Hughes in the service of the Government on Vancouver Island?
4. If so, what is his position, and what is his salary?

Mr. ROGERS:

1. No.
2. $3,000 a year; 9th April, 1914, was appointed resident engineer on Victoria harbour works.
3. Yes.
4. District engineer for Vancouver Island, salary $3,000 a year.

SHIPPING ACCIDENT AT QUEBEC.

On the Orders of the Day being called:

Mr. MARCIL: The Minister of Marine will pardon me if I call his attention to the accident that happened to the steamer Saturnia in the harbour of Quebec. I have a letter from an old acquaintance, David Taylor, the master in charge of the ship at the time. He has been in charge of steamers coming to the St. Lawrence for twenty-one years. He says in his letter that there was no lightship or buoys placed in position to mark the channel, as is customary. I merely mention this fact to follow up the question put by the hon. member for Rouville (Mr. Lemieux) in connection with the investigation into the wreck, hoping that no injustice will be done to Captain Taylor.

Mr. HAZEN: The investigation has been held by the Wreck Commissioner assisted by two nautical assessors. I expect the report will be filed to-morrow. In the meantime, I understand from my deputy minister that the opinion of Captain Lindsay and the nautical assessors is that the fact that the lightship at the Traverse was not in position was not in any way a factor in the accident which occurred.

Mr. MARCIL: The boat at the time was in charge of a duly licensed pilot, Jules Lachance.

Mr. HAZEN: In view of the interest which has been aroused by this accident, a question having previously been asked by the hon. member for Rouville, as soon as the judgment of the Wreck Commissioner's Court reaches me I shall lay it on the table of the House.

SUPPLY.

The House in Committee of Supply. Mr. Blondin in the Chair.

Hon. SAM. HUGHES (Minister of Militia and Defence): It has been my privilege on two previous occasions to submit in advance to the members of the House a detailed statement in connection with the Militia Estimates. In accordance wtih my practice on two previous occasions about a week ago I sent every member of the House a detailed explanation of these Estimates, giving particulars as far as possible. I feel that it is only courteous to do so. The charge has been made in times gone by, that the Militia Estimates have been held up to the last days of the session and then rushed through without any notice being given. I am a little nervous in presenting these Estimates—

Some hon. MEMBERS: Hear, hear.

Mr. HUGHES:—owing to the fact that we are drawing near to the end of a century of peace between Canada and the United States. The columns of the press, and the atmosphere generally, is so full of platitudes about peace that the poor fellow who wishes to keep up the militia is regarded as almost a blood-thirsty mortal who is not entitled to any consideration. However, I have more or less confidence when I review the first few years of this great century of peace. I find, despite the cry of peace, of which we hear so much to-day, that the first thirteen years of this century have witnessed appalling wars: the South African war; the Phillipine war; the Cuban war; the Russo-Japanese war; the Turko-Italian war; the Moroccan-French war; the Somaliland war; the Balkan-Bulgarian-Servian-Greek war; the Mexican war; the German South West African war; and the wars in China, Tibet and of the United States in Cuba, and now the war of the United States in Mexico.

Mr. LEMIEUX: Do not forget the Ulster war.

Mr. HUGHES: It is not on yet. My hon. friend from Rouville (Mr. Lemieux) will doubtless watch with interest, and from a long range, the Ulster war when it comes on. I might point out to the hon. member that the Ulster men are of the same class as those who followed Stonewall Jackson—

Mr. DEVLIN: Down in Virginia?

Mr. HUGHES: Yes, down in Virginia. And if hon. gentlemen want to form an

opinion as to how the Ulster men will fight, let them read the record of Stonewall Jackson's division in the American Civil war. A strange incident recently occurred in connection with the Mexican war. In this country we have been more or less interested in the peace agitation. It was only a few years ago that we had some distinguished Americans, accompanied by distinguished Canadians, occupying the pulpits and platforms of the country preaching peace on the eve of an election, the object evidently being to further the question of free trade between Canada and the United States. This peace organization of the United States is the only institution I know of that has endorsed the incipient war of the United States on Mexico. Before the very first shot was fired this organization forgot its principles, and, in place of imploring the Government to hold its hand and to submit the matter to arbitration, they immediately wired President Wilson as follows:

> Our league is an ardent peace organization, but not of the 'peace at any price' kind.

Of course, the peace at any price kind would involve some great national principle, having for its object the uplifting of humanity; and I presume the question as to who fired the first salute would constitute a casus belli worthy of the endorsation of this great peace organization.

Turning to our own border, I do not think there is any great evidence of the human mind being in a position to guarantee perpetual peace in Canada. In this House we occasionally have illustrations that the human mind is not so disciplined, even amongst gentlemen who are supposed to be the highest in the land, as to guarantee internal peace. I have not the slightest doubt that some hon. gentlemen opposite will have the hardihood to even criticise my Estimates when they come up. Let us look for a moment at our courts of law and the convictions made in the Dominion of Canada. In 1911-12 alone, 113,260 persons in the Dominion of Canada were convicted in the courts of this country. The cost of the administration of justice in Canada the year before last—last year's figures have not yet been published—was a little in advance of the cost of the whole militia. The cost of administering justice in Canada in 1911-12 was $9,420,000, which is slightly in excess of the cost of the militia of the whole country. The customs and excise returns show that the customs duties on liquors in 1912-13 amounted to $9,270,600, and the excise duties, $11,488,104, or a total of $20,758,704. On tobaccos, customs duties amounted to $1,551,109, and the excise duties to $9,794,450, or a total of $11,345,559; making a grand total for liquors and tobaccos of $32,104,263. I do not necessarily imply that these breed criminals, but such figures are generally considered a fair indication of the moral standard of a community. I might refer to strikes. It is no use disguising the fact that a strike is an incipient civil war. Strikes have happened in every part of the country, and troops have had to be turned out to preserve order. At the present time the troops are still under arms in British Columbia in order to preserve law and order.

Mr. LEMIEUX: That is a fine state of things under Tory rule.

Mr. HUGHES: I want my good friend to observe that law and order are preserved under Tory rule. However, Sir, let us hope, in regard to this century, 'a bad beginning may bring a good ending.' The ground must be prepared for peace, as an Irishman once said, as well as for potatoes. You must lay the foundation deep and strong in the hearts and intellects not only of one community, but in all communities, in order to preserve peace. That condition of affairs has not been reached in any country, much less in our country. That is a condition, as Robbie Burns said, that involves two parties:

> Nae mon can be at peace unless his neighbour let him.

The condition involves education, culture, gentleness, firmness, self-control, obedience—that is the power or capacity to obey—control or power to command others, responsibility and individuality. These have been defined as the triumph through wisdom and reason of sound principles of human government. Peace is also a condition brought about by the knowledge on the part of those concerned that each party comes of a race who are careful to know and value sacred rights, who will seek every honourable means of settling differences, but who, in case an opponent should be determined to be domineering, unjust, dishonourable or repressive, would know how to defend the honour of home, of loved ones and country, and who, in defence of those sacred heritages, would willingly sacrifice each his own life. The essentials, therefore, of peace are discipline on the part of the

people; training in self-defence; manœuvring, shooting straight, withstanding fatigue, privations, etc.; stout hearts and stubborn wills; preparedness, arms, equipment, stores, etc. The great peace advocate, who heroically passed away on that awful night amid the icy waters, on the Titantic, Mr. W. T. Stead, said:

> When a nation shall have reached the point where every citizen feels it is his duty and privilege to be trained for the defence of the fatherland, it will become a greater, a saner and more efficient people.

That is the aim and object which I have in view, and my right hon. friend the leader of the Opposition, I believe, holds similar views. Another prominent writer, Major Stewart L. Murray, said:

> A great power cannot escape adequate payment for national defence. It is not a matter of what we choose to pay. It is a matter of what we must pay, even in the form of adequate preparation for victory; or later in the form of a war indemnity for defeat.

The country that is overrun or invaded is the country that suffers. While a country that is invaded and devastated undoubtedly suffers much, it is on the other hand an historical fact that it is the country which has not been invaded which eventually comes to the front. I might point out in that regard, to meet the arguments that are sometimes advanced, that the great upheavals in literary effort and production and intellectual development have invariably followed great wars by which, although the invaded countries have been practically ruined for the time being, yet all have risen thereafter to hitherto undreamed of heights of literary and intellectual splendour, as instance the Augustan age, the Renaissance, the Elizabethan period and the Reformation. These periods of intellectual activity followed closely upon great wars. Mr. Harold F. Wyatt says:

> The discovery that Christianity is incompatible with military spirit is made only among decaying peoples. While a nation is still vigorous, while its population is still expanding, while the blood in its veins is strong, then on this head no scruples are felt. But when its energies begin to wither, when self-indulgence takes the place of self-sacrifice, when its sons and daughters become degenerate, then it is that a spurious and bastard humanitarianism masquerading as religion declares war to be an anachronism and a barbarous sin.

Lord Roberts, on the same lines, says:

> The dramatic three weeks' campaign which ended in the complete collapse of the Turkish army shows, with a ruthless logic, the effect of apathy and unpreparedness. . . The ghastly accounts of the slaughter that has transformed Albania into a shambles should surely bring home to us what war in a country may mean to that country. . . The days of muddling through a war . . . are over. Let me implore you, as a soldier of more than fifty years' service, who knows what war was and what it is now, not to be led away by any such dangerous beliefs.

Instance after instance might be quoted to show that countries that have progressed and prospered are countries that have been visited by war. The great Machiavelli said:

> All the armed prophets have conquered; all the unarmed have perished.

We have Eliza Cook saying:

> Never trust the soft breathing that preaches of Peace.
> With a pledge-giving lip and a smile-lighted eye—
> Hear it all with good will, but be provident still—
> With men that are earnest and powder that's dry.

The German Chancellor recently said:

> As long as men are men and States are States, the question of limiting armaments will remain insoluble.

Therefore, I am sorry that I have to fall in with the ranks of those who believe that universal peace is yet far off, and that wars will continue to devastate, and that just as eternal vigilance is the price of liberty, so eternal readiness to defend loved ones, home and country, is the price of peace. Ex-President Roosevelt has been more or less laughed at, but nevertheless the old gentleman keeps up his pace through the world and keeps his hat on his head fairly well in spite of the sneers and criticisms of minor intellects. Mr. Roosevelt has been recently on a trip to South America and he has pointed out that the only two countries where he found anything like a stable form of civilized or constitutional government are Argentina and Chile. He attributes that entirely to the fact that these two peoples have fairly respectable militia systems and are trained in self-control and self-development. In case of war, the farmers and shippers of this country would lose more in a month than preparedness for war would cost them in a generation. My hon. friend (Mr. Devlin) has pointed out the fact that I went on a junket to Virginia recently. I did take a junket through Virginia.

An hon. MEMBER: How did you find it?

Mr. HUGHES: I liked it very well, and I would recommend my hon. friend to go. Let me point out that Virginia was the scene of many battles in the great American Civil War, and that while the portions of the country that were actually devastated, where houses were burned and farms destroyed, have not yet recovered their former status, all those parts of the country that were not actually invaded, long, long ago recovered; in fact, their recovery was almost immediate. I read a letter in this House once from a former Canadian resident in New York, pointing out the imperative need of the people of this country being ready to repel any invasion coming from whatever quarter it might, and I agree that it is our duty to maintain such a state of preparedness.

Civilization depends on liberty. There can be no civilization without liberty, no liberty without law and order, no law and order without power—

Mr. LEMIEUX: Powder.

Mr. HUGHES: Yes, powder comes next. There can be no law and order without power, and there can be no power without the army; and you can either put it down as power or powder as you like. There can be no army without discipline, there can be no discipline without training, no training without pay and no pay without taxation for the maintenance of the militia force. My good friends on the other side of the House, as well as on this, have been willing to tax themselves fairly liberally for the maintenance of a system of defence for our homes and our loved ones.

However, my aim is not war. No man in the service is anxious for war. It is the speculator, the fellow who is going to make money, who is in favour of wars between nations. The soldier is never in favour of war. The soldier in any land is always the fellow who has to face the music. He is the one who has to take his chance whether he will go down or not. Wars are never caused by soldiers. As I have pointed out before, wars are caused by stock gamblers, by speculators. What is generally supposed to be the cause of the war in Mexico? It is supposed to be two commercial institutions that are struggling for mastery in that country to-day. The funds for carrying on the war in Mexico are furnished by large industrial institutions in certain other countries of the world. Wars are sometimes caused by the clerical profession, sometimes by the legal profession, sometimes by the newspapers; but wars are never caused by soldiers. Therefore it is a common fallacy to say that, in building up a system of militia in the country, we are building up militarism.

My plan, in which I am fortified by speeches which I have heard my right hon. friend the leader of the Opposition deliver on more than one occasion, is the building up of the youth and beauty of the country in manhood and womanhood, physically, mentally, morally and, I have not the slightest doubt, spiritually. Far in the rear comes the question of defence. I have pointed out on many previous occasions that, if war were to be wiped off the face of the earth and peace were to reign, I would still be in favour of having a cadet system and of having the youth and beauty of the country trained in physical development and in the art of carrying themselves properly.

There is an incident which I shall endeavour to recall to my right hon. friend the leader of the Opposition. On the occasion to which I refer I was very proud of him, although I must say that I am not always proud of him. It was at the time of the Palma match when representatives from England, Australia, United States, Canada, and Newfoundland met at the rifle ranges at Ottawa and competed for the Palma trophy. Our Canadian boys came out first at the long ranges, although they were beaten by a point or two on the total ranges. That evening my right hon. friend pointed out to the audience that his belief was that every man should be furnished with a rifle, a horse and a saddle; that he should be able to shoot straight; that all should be trained in manoeuvring, and that rifle ranges should be provided for every unit of the militia. I heartily endorsed his stand then, and I have been endeavouring in a modest way gradually to work up to that high standard. I have figured up the cost of this as carefully as I can, taking everything at wholesale prices, and I find that to carry out this idea it would cost the modest sum of $450,000,000, nearly as much as the cost of some of our public undertakings in this country. Therefore I feel I would not be justified in asking the Prime Minister, my colleagues and the House to vote that sum this session. My present plan, however, is the voluntary training of the youth and manhood of the country, and I

have been gradually developing this scheme. When I was a boy, there were some first-class cadet corps in Canada, but no system was developed. I desire to give all credit to my predecessor in office who had to deal with my hon. friends opposite. He stated in this House how thankful he was for the loyal gentlemen of the Liberal-Conservative party, who stood by him shoulder to shoulder in all his great schemes for the upbuilding of the militia of the country.

Mr. CARVELL: The Ross rifle.

Mr. HUGHES: Yes. I believe my predecessor would even have endorsed the bounty to the Nova Scotia veterans.

4 p.m.

Mr. CARVELL: I have my doubts.

Mr. HUGHES: My hon. friend will excuse me for touching a tender spot. The memories of last night seem still too fresh. These cadet corps were organized on a small scale; they were not systematized. We are now endeavouring to systematize them throughout the length and breadth of the country. During the last year we have drilled, equipped and inspected 44,680 cadets, of whom it is estimated that upwards of 30,000 are sixteen years of age and upwards. When I point out that many of the men who fought in the ranks at Alma, especially in the Welsh regiments who fought at Waterloo, who fought during the American war, were sixteen years of age and upwards—Wolfe himself was only fifteen when he entered the army—it will be seen that boys of sixteen years of age and upwards make very good soldiers, and it will be realized what an asset these cadets are for the defence of the Dominion of Canada. Any commercial traveller in Canada will tell you pretty accurately what towns have cadet corps by the manhood, straightforward, cleanly bearing of the young boys and young ladies in those towns. I have no hesitation in saying that I aspire to raise the character of these boys and girls throughout this Dominion.

Mr. MARCIL: What about the province of Quebec?

Mr. HUGHES: In the province of Quebec, that everybody is afraid to touch even with a pair of tongs, we have 16,320 cadets trained in the secondary schools and colleges and senior primary schools. I, a fire-eating Orangeman, inspected 4,800 French-Canadian boys in the city of Montreal, and there were 160 priests there also. These boys are a credit to any country; and it is my purpose, if I can get away, to go down to Montreal on Saturday with brother John and watch him review 500 boys in one institution there. If any of my hon. friends come along with me, they will see four battalions of cadets in Mont St. Louis college fit to take the field to-morrow and to handle rifles with any ordinary regiment. In addition to this we have trained 12,000 teachers during the last year or two. Our object in training these teachers is that they may take their classes and train them in squad drill. I have seen 1,800 children of five years and upwards, come out of a school and march around, forming two deep and four deep, and scarcely a child out of step. These have all been trained by lady teachers. We believe in training people when they are young, because no man can become a good base-ball player or cricket player or lacrosse player unless he learns the game when he is a boy. When he is grown up, he has not the activity and suppleness of the muscles necessary for the development of perfection in the science. We have a large number of trained teachers in every large centre in Canada to-day; they train the teachers in the schools who in turn train the children, and thus the country is saved a great deal of expense in not having to send instructors to these places. Since I have assumed office 12,000 have taken cadet certificates, and 17,000 officers and teachers in Canada have been given military certificates. It is unnecessary for me to go into the details. Our instructional staff now numbers 251 persons.

Now, coming to the question of drill-halls It is true we have indulged in the construction of these buildings, and criticism has been made, some kindly and some unkindly. But let me remind hon. members of what Barnum once said—that he spent $75,000 in publishing condemnations of his own show and $750,000 in positively advertising it. And he said: I get ten times the value from the $75,000 than I do from the $750,000, for the condemnation is widely copied and is discussed everywhere, but the advertisement is just the same for nobody pays a particle of attention to the adverse criticism. So, in this drill-hall business, adverse and even unkind criticism only helps the popularity of this policy. Not more than a thousand years ago certain gentlemen in a political campaign indulged in criticisms of drill-halls, but since the people have had time to settle down to an understanding of the situation the public generally, including the farmers, are becoming strongly

favourable to this policy of drill-halls. Six weeks ago I had a deputation of eighty-five representatives from a town in a farming locality, many of them farmers, asking for a drill-hall. I asked one of these farmers: Why are you interested in this? And he said: I have my son to think of; why should he grow up without the opportunity for physical development and training that is afforded to the boys in the towns? Why should not we have some place for Saturdays or week evenings to which our boys could go for drill under the direction of your drill instructor? I want to tell this House and the community at large that in the Militia Department we have applications for over a thousand drill-halls, and we can only supply twenty-five of them this year.

Mr. MARCIL: Are these drill-halls for the general use of the community?

Mr. HUGHES: I am glad my hon. friend mentioned that point. The policy is to have them primarily for the use of the militia and cadet corps, but they are there for the use of any other organization that wants them for similar purposes. They can be thrown open also for any town gathering where there is no hall—any philanthropic or patriotic meeting, any meeting of a farmers' association and other gatherings of that kind as a friend near me suggests they are there for any laudable public use.

Mr. MARCIL: Are they given free?

Mr. HUGHES: So far as we are concerned, they are always given free. But I suppose there is a local charge for cleaning them up and that kind of thing.

Mr. MARCIL: The hon. minister should have no difficulty in finding places to accept drill halls all over the country, on those conditions.

Mr. HUGHES: That is what I want to do if I can get the money. And I am coming to that in a minute—I will show my hon. friend how we are going to get that money. An hon. gentleman near me asks if these drill halls are allowed to be used for political purposes. I say, certainly—let them be used by either party. Suppose that in a town there is no suitable hall and this is visited by an ex-minister of the Crown or a member of Parliament who is to deliver an address, why should not he speak in the drill hall? If my hon. friend from Rouville (Mr. Lemieux) comes to my town, for instance, to address the free and independent electors there, he will find the drill hall available for his use.

Mr. LEMIEUX: I might get one of the hon. minister's automobiles, too.

Mr. HUGHES: I should be glad to give the hon. gentleman a ride in mine. But the automobiles of the Militia Department are such cheap ones—$550 and $750—that a gentleman of his position, one accustomed to the $6,000 and $8,000 automobiles, would find it rather beneath his dignity, I fear, to ride in one of ours. The one in which he stuck in the Modder river and where he waived his hand and said: Get out you men from other colonies and pull me out, was one of the high price kind, I assume, so he would hardly be satisfied with the seven hundred dollar automobile which the Minister of Militia is content to use.

Let me point out that since Confederation in Canada, drill halls have cost the tremendous sum of $4,900,000 all told. In the fifty years, almost, of the Canadian Confederation, the whole cost of drill halls has been less than $5,000,000. Why, Toronto alone, one city, is putting in new schools this year to the amount of $3,000,000, and Canada, throughout its whole territory from the Atlantic to the Pacific, in the course of forty years has spent less than $5,000,000 on drill halls.

Mr. DEVLIN: Does not the hon. minister think that schools are better than drill halls?

Mr. HUGHES: Both are necessary; the drill hall is the secondary and continuation school for the public school of the village. Go into any town in Canada, and what do you find? You find boys and girls running the streets uncontrolled, and going into these nickel shows—what do they call them?

An hon. MEMBER: Movies.

Mr. HUGHES: I say the boys and girls are running the streets uncontrolled. But ask my hon. friend from East Lambton (Mr. Armstrong), ask any of these hon. gentlemen who has a drill hall erected in his place where the caretaker has been long enough employed to get the work going, and you will find that they have a cadet corps which the boys join with enthusiasm and have an opportunity for development in gymnastics and physical drill. These drill halls become the centres for the whole community.

Mr. CARVELL: I may tell the hon. minister that in my town even the band is not allowed to get in the drill hall. They

have to fight the minister to get even room there.

Mr. HUGHES: I did not erect the drill hall there.

Mr. CARVELL: But you are in control of it now.

Mr. HUGHES: Yes, and this summer I intend to devote some attention to that part of the world, which seems to have gone tother end around; I do not know why, whether it is the effect of the ruling genius there or not. I am going to visit it this summer, and I will ask my hon. friend to help me—he is not half a bad fellow if you can keep him cool.

Mr. CARVELL: You will revise many of your ideals when you get there.

Mr. HUGHES: Oh, I have met 'harder shells' than my hon. friend. I have been a great hand to win representatives of the people to a right mind of thinking, and I do not doubt that I shall be able to bring him around, and we shall be able to agree about that drill hall.

Mr. CARVELL: The first thing is to get rid of your caretaker.

Mr. HUGHES: I am going to talk about the caretaker, too. I intend that the caretakers shall be men who can instruct and look after the affairs of the drill halls properly. He is not the only one who will go if found unfitted for these duties, and this regardless of party. I have stated that the amount spent by Canada on drill halls since Confederation was $4,900,000. Between June, 1896, and October 1911, the period of office of hon. gentlemen opposite, there were erected drill halls at a cost of $2,974,000. So, the Liberal party saw the need of drill halls; the difficulty was that they did not develop along the right lines and push the system to a more successful conclusion.

Mr. LEMIEUX: How many years was that?

Mr. HUGHES: Let the hon. gentleman subtract 1896 from 1911, and he will have it. Perhaps the hon. gentleman on his right (Mr. Marcil), will help him on that question of subtraction. Now, since 1911, the Conservative party have constructed fifty drill halls, and spent upon them $2,367,000.

An hon. MEMBER: Not bad.

Mr. HUGHES: I am sorry it is not much more, but we are doing our best. Now, look across the border; and take the state of New York which has a population about equal to that of the Dominion of Canada. But instead of having 100,000 trained people, they have only 16,000. Their method over there is that the Adjutant General and other officers of the State hold a meeting to decide whether a drill hall in a certain place is necessary and they order that a building costing a certain amount and of a certain capacity shall be erected. In New York state alone they have spent $40,000,000 on drill halls and $10,000,000 on equipment, $50,000,000, or ten times as much as is invested in drill-halls in the whole of the Dominion of Canada. So ardent are the people of this country to have their children drilled in these drill-halls and to have the opportunity of using the halls for philanthropic and other gatherings, and that in hundreds of instances we are offered free sites. The city of Edmonton has given us an entire square. The hon. member for Moosejaw (Mr. Knowles) knows what a splendid site his city has contributed. The hon. gentleman has recommended a fairly good caretaker, although he is a Grit, and, crime of crimes, he has had the audacity and the hardihood to recommend an honorary colonel.

Mr. KNOWLES: I did not recommend an honorary colonel.

Mr. HUGHES: The hon. gentleman himself spoke to me about it, and gave me all the details.

Mr. KNOWLES: The minister sent a man named Colonel Williams, who is connected with the Militia Department, to see me. He said he was instructed by the Minister of Militia to introduce himself to me, and he asked my views on the suitability of this gentleman as an honorary colonel. I was pleased to speak very highly of the gentleman whom the hon. minister's officer in command had recommended.

Mr. HUGHES: The hon. gentleman will remember that he spoke to me about this matter one day in the corridor.

Mr. KNOWLES: That is correct, but I did not recommend the gentleman in question.

Mr. HUGHES: All right, if the hon. gentleman repudiates it.

Mr. KNOWLES: I repudiate nothing but the minister's incorrect statement.

Mr. HUGHES: The minister has made no incorrect statement. I say that in the corridor the hon. member for Moosejaw spoke to me and asked me to appoint this gentleman.

Mr. KNOWLES: I said that I did not. The minister initiated the conversation in the corridor.

Mr. HUGHES: Is the hon. gentleman rising to a point of order?

Mr. KNOWLES: No, a question of privilege.

Mr. HUGHES: Then, I shall not make way.

Mr. KNOWLES: Well, a point of order, then.

Mr. HUGHES: Very well, I'll make way.

Mr. KNOWLES: I wish to state what did occur in the corridor. At that time I mentioned to the minister that his officer commanding had, many months ago, so I was informed, made a recommendation under the instructions of his superior and the minister, and I said that the fact that nothing was being done was occasioning a good deal of comment. The minister then asked me about the qualifications of the gentleman, and I told him that he was worthy of the position. The minister later asked Mr. Erratt, president of the Conservative Association for the province of Saskatchewan, if Hitchcock was a good man, and Mr. Erratt confirmed what I had said about him.

Mr. HUGHES: The hon. member merely confirms what I have said; he came to me and gave me the information—I did not ask for it.

Although the caretakers appointed in the past have been, generally speaking, good men, they have not been capable in all cases of drilling the youths of the villages and towns; in other words, they have not been in all respects suited for the position. It is our intention to appoint only men who are capable of drilling the youths of the country, and it is our hope that within a year we will have a good system in vogue in that regard.

The cost of these drill-halls has been much criticised. Let me point out that the cost of each mile of the Transcontinental railway would build ten drill-halls; in other words, we could have had one drill-hall every 170 yards from the Atlantic to the Pacific if we had put into drill-halls the money spent upon the National Transcontinental railway. I am not saying that this would be a good expenditure of money, but, if properly distributed throughout the country, a few drill-halls built with some of this money would have done no harm. The money spent upon the Newmarket canal would have built 100 splendid drill-halls. The expenditure upon useless dredging, useless wharfs and useless breakwaters would have built at least 1,500 drill-halls. All I want to build this year is 50 drill-halls. The cost of the Quebec bridge would represent fully 1,000 drill-halls. Even the sawdust wharf would represent two, and the late lamented technical commission would represent ten.

Mr. CARVELL: What about the Fort Frances post office site?

Mr. HUGHES: That is not in my line. The Fort Frances locks expenditure would have built eighteen or twenty drill-halls, and the Logan's farm and St. Helen's Island deal would build and maintain all the drill-halls and rifle ranges that Canada will require for the next 100 years. The expenditure upon the Toronto exhibition grounds would provide forty or fifty of the best-drill halls and fully 200 of the middle-class drill-halls. The land that has been alienated from the Militia Department in Quebec alone would represent at least 600 drill-halls. Some of my friends are perhaps, not aware that St. Helen's island, that beautiful historic spot in the St. Lawrence opposite the city of Montreal, was handed over to that city for $200,000, whereas 117 acres, Lafontaine park, was handed over to the city of Montreal and not a dollar of revenue, except one dollar a year, came to the Dominion Treasury from it.

Mr. MARCIL: Is it not true that both of these properties have been applied to the very best purposes, that is, public parks for the women and children of the city?

Mr. HUGHES: Then let Montreal buy her parks the same as the town of Lindsay buys her parks. The Militia Department of Canada is not going to buy parks for the people of Montreal or Toronto or any other place; and although the Militia Department handed over to the city of Montreal Lafontaine park, nominally that it might be used for park purposes, the city of Montreal, until I brought them to time, hesitated to allow the militia of Montreal,

their own citizens, to drill on Fletcher's field.

Mr. MARCIL: The opinion prevails in Montreal that both these parks are used for the best purpose.

Mr. HUGHES: I have no doubt. I do not know of any grafting institution anywhere that would not accept anything when it could get it for nothing, when it could get it on a sideshow and rob the Militia Department of it, and then use us as though we were mendicants.

Mr. CARVELL: You have to go fifteen miles out of the city to get your barracks.

Mr. HUGHES: Twelve miles. My hon. friend, with his characteristic persistence, is wrong again. These same properties in Montreal would build one thousand drill-halls of regimental size and five thousand five hundred of medium size; and all that Canada will want for the next five years will be fifteen hundred.

Mr. LEMIEUX: What about the decision of the minister as to the rifle range in Ottawa?

Mr. HUGHES: It is generally known, especially to the militia men, that the old ranges at Rockliffe are inadequate. They were inadequate in my predecessor's time. He was doing his best to meet the difficulty, but the growth was very great; he had a plan to enlarge the ranges although he could not enlarge them sufficiently. So when I came into office I immediately took the matter up with the riflemen of the community and we have secured ranges west of the city.

Mr. LEMIEUX: From whom?

Mr. HUGHES: From the farmers, I do not know who they are.

Mr. GERMAN: What is the matter with the Rockliffe ranges?

Mr. HUGHES: The Rockcliffe rifle range has an area of 445 acres. It was nearly seven miles from the centre of the city of Ottawa. We could get only sixty-nine targets there, and in order to carry on the Dominion of Canada matches we had to begin shooting early in the morning, before the mists had risen from the ground and continue until late at night, until almost sunset, so that the men shooting early and late had no show. Moreover, in case of a rainstorm the matches had to be abandoned.

Mr. GERMAN: They can get the full distance?

Mr. HUGHES: Yes, 1,000 yards, a short range.

Mr. LEMIEUX: The Rockliffe ranges are not seven miles from the post office.

Mr. HUGHES: I am taking from Dundonald park, the centre of population. It is about seven miles from Dundonald park to Rockliffe range.

Mr. MURPHY: Early in the session the hon. member answered a question, and said that the Connaught range was twelve miles by the travelled road.

Mr. HUGHES: From the post office.

Mr. MURPHY: There is not a mile difference from the post office to Dundonald park.

Mr. HUGHES: That makes two miles.

Mr. MURPHY: It might make five for the minister, but for an ordinary man it would not make more than one.

Mr. HUGHES: If we add one mile to the five and take it off the other, it just makes two miles difference. The Connaught rifle range is situated in the township of South March, a few miles beyond Britannia. The area is 2,662 acres. It is ten miles from Dundonald park by road, and a little less by rail. We will have 528 targets when it is completed, and I may say that thus far we have expended $224,000 on the property.

Mr. LEMIEUX: How much did you pay for the site?

Mr. HUGHES: $193,379.

Mr. GERMAN: How many targets are there at Rockliffe?

Mr. HUGHES: There are sixty-nine. The present value of the property at Rockliffe is estimated at $1,350,000, and some estimate it as high as $1,750,000; so that it is a transfer of accounts.

Mr. LEMIEUX: Is the Rockliffe range for sale?

Mr. HUGHES: It has not been considered by the Cabinet at all.

Mr. DEVLIN: Does the minister know how many farms there are in the Connaught range?

Mr. HUGHES: No; but I shall get the information. The Connaught ranges will cost, all told, upwards of $500,000.

Mr. LEMIEUX: Is there a townsite near the Connaught range?

Mr. HUGHES: No.

Mr. LEMIEUX: What is the nearest town?

Mr. HUGHES: I think Britannia is not far away.

Mr. DEVLIN: Is not Britannia about twelve miles from that Connaught range?

Mr. HUGHES: Oh, no; about three miles air line, or four miles by road.

Mr. LEMIEUX: How far is it from Borden City ?

Mr. HUGHES: I do not know.

Mr. LEMIEUX: That is the new townsite ?

Mr. HUGHES: That is a new town. It could not be better named.

Mr. LEMIEUX: I do not object to the name.

Mr. HUGHES: This is a transfer of accounts. Supposing we had wished to keep the money out of the Estimates—although we are not doing it, we voted it—and had sold the present Rockliffe range and followed the very proper custom of my predecessor and the right hon. leader of the Opposition by placing this money to the credit of the Militia Department for construction of this range, we would have been able to construct three ranges, or at least two and a half, out of the money which we would have received from the sale of the Rockliffe rifle range.

Mr. LEMIEUX: How much ?

Mr. HUGHES: I have been asked if I would take $1,350,000 for it.

Mr. LEMIEUX: From whom ?

Mr. HUGHES: I am not going to say. Perhaps the hon. gentleman would like to know the colour of his hair.

Mr. LEMIEUX: I do not think that is a proper answer from the minister. He says he has had an offer for the sale of the Rockliffe range. I want to know from whom.

Mr. HUGHES: I said I was asked if I would take it.

Mr. MARCIL: Would it not be more satisfactory to sell a large property like that by public auction ?

Mr. HUGHES: The rule of the department is that they must be sold by public tender.

[Mr. S. Hughes.]

Mr. DEVLIN: And bought by private sale ?

Mr. HUGHES: Oh, yes. It would not be well to go and buy ranges by public arrangement, it would be like duck-hunting with a brass band.

Another important matter which we have before the department is the training of officers. In order to secure a splendid lot of officers in the service we have developed officers' training corps in connection with the universities and some of the larger institutions of the land. In connection with McGill university, Lord Strathcona, before his death, handed over a sum of nearly $100,000 wherewith to purchase a site for a drill hall adjacent to McGill university. There is an officers' training corps in connection with McGill University. Canon Dauth of Laval University, Montreal, has already organized five companies. These companies are made up of 450 of the students who are training for law, medicine, and the professions. He promised me that before the end of the year he would have 800 or 900 in training. In connection with Queen's University, I might say that an old friend of that institution—a distinguished graduate of the Royal Military College and an engineer of note—has presented Queen's University with ground on which the Government is supposed to erect a drill hall. He has also presented ground on which to erect residence buildings. Altogether, it is costing him $600,000 of his own money. That is the spirit that is abroad in the community to-day. Laval, McGill, Queen's, Dalhousie, the British Columbia University, Sackville University—the president of which, I may say, came all the way to Ottawa in connection with organizing an officers' training corps—Toronto, Manitoba, and Edmonton—all these universities are making arrangements for the establishment of officers' training corps. They have found the effect of discipline on the students so splendid that they are going more and more into it in the future. These young gentlemen will go out into the country as lawyers, doctors, leading business men—they will be educated gentlemen, at all events—and although maybe having no intention of becoming military men, they will gravitate towards some military company, and the country will have the benefit of their services. That is my policy in connection with university officers' training corps. It costs the country very little. There is no harm in my mentioning that Colonel Leonard is the gentleman who is

making that gift to Queen's University. The students will reside in the buildings he will erect, and the Government will pay just what we would pay at our schools of instruction. We will furnish the instructors, and the country will get the benefit of the services of these young gentlemen of the best calibre. We also hold classes for those men in the villages throughout the country who are so busy that they cannot take the time to go to camp, and an officer or sergeant goes down to those localities and puts the men into shape, so that we are getting all the practical benefit of schools at a minimum of expense. We have also musketry schools all over the country where officers are trained in the art of teaching the rudiments of musketry. We have also cadet instructors, and the Royal Military College, as usual, is doing splendid work. There is another matter to which I have given a little attention, and which has been more or less belittled by our friends opposite—for what reason I do not know. It is not always the man who wears a uniform that becomes a great warrior. Clive, Nicholson, Lawton, Wood of the United States army, were all civilians. General Wood was a doctor, and a doctor is not generally expected to be a great warrior. Many of the best soldiers in history were civilians. Stonewall Jackson was a university professor.

Mr. A. K. MACLEAN: You are a civilian yourself.

Mr. HUGHES: Certainly; that is the very point I am making. I remember in my old athletic days the question arose as to whether or not an amateur lacrosse team was as good as a professional team, and I want to tell my hon. friend that the boys of the city of Toronto proved on many a hard-fought field that the amateur can meet the professional any day, and I have no hesitation in saying that the same thing applies to the army. Some gentlemen say you cannot have a democratic army. I admit that you cannot have a democratic standing army, but you can have a democratic militia. If it is properly trained from the earliest years of school life, and the training is carried on afterwards, there is no reason why you should not have a democratic army, the equal, if not the superior, of any standing army in the world.

Hon. gentlemen have pointed with more or less ridicule to the honorary colonels. I do not mind criticism; I am an old campaigner, and I can take my knocks. Some hon. gentlemen opposite are always taking left handed shots at Sir Frederick Borden every time they can get a crack at him over my shoulders. Sir Frederick, I am free to say, is far in advance, if not of all gentlemen on the other side, at least of the carping critics. I want to point out to my hon. friends that Sir Frederick Borden committed a terrible crime. He appointed 104 men without previous rank as honorary colonels, and 70 of those who had had previous rank, or a total of 174. My worthy predecessor, a tip-top fellow, appointed that number of honorary colonels to the militia of Canada.

Mr. DEVLIN: In how many years?

Mr. HUGHES: I must again refer my hon. friend to the mathematician of his party. My hon. friend from Carleton, I will not say the unworthy representative of that constituency, is always trying to get in a left hander at the militia. What did the late Minister of Militia ever do to my hon. friend that he has a crack at the militia every chance; and he nearly always ends with a dig at my predecessor. What has been the trouble? Were their minds not in harmony? Sir Frederick Borden, I say, deserves credit for appointing 174 honorary colonels and I do not think I am deserving of condemnation for appointing 45 without previous rank and 40 with previous rank, or a total of 85. I have looked around the country as Roosevelt did when he appointed General Wood. When I can get a man at the head of a railway to accept a position in the transport service, I follow the custom in England and am glad to get him. They see to the transportation of troops to camp and are willing to give their personal attention to organizing the transport of troops. It is the first time in the history of Canada that we have got these men, and I think I am deserving of nothing but praise for making these gentlemen honorary colonels. Take the case of Rev. Dr. McMillan, of Halifax. He was chaplain of my own regiment, I trained him.

Mr. A. K. MACLEAN: Did you train him in theology or in military science?

Mr. HUGHES: I think that possibly I influenced him in both by my frank and open way in life, showing him that it was possible for a man to be a man and still be a soldier and I think that I possibly broadened him and made him a bigger man. So it is with Rev. Dr. Johnston, of the American Presbyterian Church, Montreal, another old chaplain of my own regiment. I have had the honour to make gentlemen of this class honorary lieutenant-

colonels because they understand the cadet business and the training of the youth of the country. Everything I have done in this connection has always been with that object in view. I made Sir Glenholme Falconbridge an honorary lieutenant-colonel. Some of my friends belittle him. Sir Glenholme Falconbridge has a military school training and he obtained a certificate long years ago which entitled him to the command of a regiment. He served in the Queen's Own before and after the Fenian raid. He has served his country in various ways and he has given a great deal of attention to the cadet work. I could name almost every other man who is on the list in connection with the deep interest he has taken in the service. I have no apology to make and I make none. I made George Ham an honorary colonel the other day.

Mr. MARCIL: That was the most popular appointment on the list.

Mr. HUGHES: If my hon. friend will take a little interest in the cadet movement we will keep our eye on him and bring him forward. It is like the Senate; whenever I hear a man condemning the Senate and making speeches against it I say: That man will be over there in a year or two. Whenever I find a man condemning the cadet corps, it is not more than a day or two before some of his friends come around and say: Could you not make Emmerson an honorary colonel?

Coming now to the active militia, I may say that the active militia is divided into two classes, the permanent corps and the non-permanent, the permanent corps consisting of 3,021 officers and men and the non-permanent force consisting of 74,606 officers and men. We hear a great deal about militarism in Canada. I have never been an advocate of a permanent or standing army except for instructional purposes. I am reducing the permanent force. I inherited, in the permanent force, an army service corps which was in size 25 per cent of the army service corps that the whole of the British army has. I am reducing that. I am putting men in other employment and I have made up my mind that I will not have a large number of men in our army service corps about the country. The danger to the country is from the permanent end of the military forces, not the non-permanent end. In the permanent service men are taken out of continuous employment, they are taken from the other services of the country and they become a special and privileged class while the great majority of the people are untrained. Under these circumstances people are like men standing around the edge of a football field—mere rooters watching the regulars go by. With a permanent army, in a time of crisis in the nation's history, there is danger, unless the officers are constitutionally trained, of the officers and men obeying the mandate of some oligarchic government, autocratic Upper House, or Divine right ruler.

Mr. LEMIEUX: What do you mean by that ?

Mr. HUGHES: My hon. friend can read and he can exercise his intellectual powers. In olden times home training fitted men for the army. To-day it does not. In olden times every boy could handle the quarter-staff and the single stick. To-day the service is very different; the sword is no more used, but the long-range rifle in the hands of the straight shooter is what counts. We must have the militia spirit if we want to have a proper militia system, because we could not, in a country such as Canada, afford to maintain a large standing army. The non-permanent militia of the country represent the people at large. It is the right and duty of every citizen to demand to be trained. Counting corps organized and those asking to be equipped, we have 78,000 men. There is a regiment in Hull, another in Maisonneuve, another in Sault Ste. Marie, another in Toronto, and regiments all over Canada, organized and officers selected for them, but we have not the armament, the equipment or the money to enable them to be trained. There are cavalry regiments waiting. There is a regiment in Prince Edward Island, and there are regiments in other places, but we have not the equipment which would be required to put men into harness. Otherwise, instead of having 78,000, I would have 150,000 men and 40,000 cadets. It is the right of every citizen to demand to be trained, and it is the right of every government to meet the citizens, in so far as possible, in their demand to be trained. If you have trained the manhood of the nation, you need never be afraid of any coup d'etat on the part of any standing army. It is our boys scattered up and down the country, on the concessions and side lines, and behind the

counters that we must rely upon, and if they are properly trained we need never be afraid of any autocratic demagogue trying to get control of the Government by means of a coup d'etat. There is no money which so readily reaches the people as money appropriated for militia purposes. The following statement shows the strength of active militia from 1909 to 1913:

		Established.	Trained
1909.	Officers	3,546	2,904
	Men	40,197	33,320
		43,742	36,224
1910.	Officers	4,874	3,621
	Men	52,820	40,521
		57,694	44,142
1911.	Officers	4,942	3,505
	Men	55,239	41,205
		60,181	44,710
1912.	Officers	5,259	3,763
	Men	61,103	44,450
		66,362	48,213
1913.	Officers	5,615	4,300
	Men	68,991	53,227
		74,606	57,527

Long years ago—in 1841—in Upper and Lower Canada alone they trained 235,000 men. Upper Canada had 118,000 and Lower Canada 117,000 men regularly trained at their own expense, equipped with their own weapons, and turned out four times a year for drill. The year previous to that upon which I took office, my predecessor had drilled 44,710 men, and there were 60,000 men enrolled. Last year we drilled 57,527 men, and there were enrolled 74,606. We exempted about 17,000 from drill. To summarize our militia force, we have in Canada:

Permanent corps for 1913	3,021
Non-permanent	74,606
Total for 1913	77,627
Cadets	44,680
Civilian rifle associations	23,880
Reserves, volunteers, Canadian and British	500,000
Corps organized and asking to be equipped	78,000
Total	724,187
To these add:	
Teachers and cadet instructors trained since October, 1911	12,000
Grand total	736,187

These have been trained for the defence of the country. Now, I come to the question of cost. At Confederation the principle was laid down that a maximum of 10 per cent and a minimum of 8¾ per cent of the revenue, or one-tenth maximum and one-twelfth minimum, should be devoted to militia and defence. The following figures will show how this principle has been carried out:

Year.	Per cent Revenue.	Per cent Customs and Excise.
1905-6	7½	10
1908-9	8½	11½
1910-11	6	8
1911-12	5¾	7⅓
1912-13	5⅝	7
1913-14	5⅝	7

The percentage of revenue expended on the militia last year is the lowest percentage that has been expended in any one year in our history.

When I took office, I found an overdraft of $649,508 on the 31st of March, 1912, which could not be paid because the money had not been voted. I am not finding any fault on account of this; I am not casting any blame on my predecessor, because every hon. member in the House at that time, even the hon. member for Rouville (Mr. Lemieux), endorsed my predecessor's policy. During the few months that I was in office that year, I paid $702,979 on back accounts. I found also—and I want my hon. friends opposite to observe this—orders placed by my predecessor chiefly in following up Sir John French's report, amounting to $4,044,493, a load on my back that had to be paid to preserve the honour of the country. I am not finding any fault with this, because every hon. member endorsed my predecessor's action. This sum was not provided for. It had to be paid in three years; I am paying it, and I am not kicking about it.

Mr. EMMERSON: Pretty hard on your bank account.

Mr. HUGHES: I will draw on my hon. friend when I want any money. This matter would never have been brought up by me in this House had it not been for attacks made on me by one or two subordinate members outside the House. Of this sum of $4,044,493, not one cent of which was for orders placed by myself, I have paid $2,079,797, and the first shipment of cannon came to hand only about two days ago, although the orders were placed three years ago. I have been paying for these contracts during the past three years, and have been damned as an extravagant Minister of Militia when I have been paying the debts of my predecessor.

Mr. CARVELL: Will the hon. minister give the details of the $649,508 of an overdraft?

Mr. HUGHES: Ordnance, equipment.

Mr. CARVELL: Will the minister give a little more detail than that?

Mr. HUGHES: The whole thing is in an account. There were certain quantities of ordnance, equipment, clothing, etc., ordered.

Mr. CARVELL: Have the goods been delivered?

Mr. HUGHES: They were long ago delivered.

Mr. CARVELL: Were they delivered when my hon. friend took office?

Mr. HUGHES: Yes. I paid $702,979 that year. I am not complaining; I am not finding fault; I am merely explaining why these Estimates seem large.

Mr. CARVELL: Was not that on account of the Main Estimates not being voted before the election in 1911?

Mr. HUGHES: No. These debts had been contracted and had to be paid.

Mr. CARVELL: But they were paid out of the Estimates of that year.

5 p.m. Mr. HUGHES: The $649,508 was not paid.

Mr. CARVELL: The money had not been voted; that was the trouble.

Mr. HUGHES: The money for 1911-12 was not voted by me; the debt was contracted by my predecessor.

Mr. CARVELL: When my hon. friend took office, a certain portion of the Estimates for 1911 had been voted, I think five-twelfths or seven-twelfths. After my hon. friend took office, the balance of that year's Estimates were voted by him?

Mr. HUGHES: Yes.

Mr. CARVELL: Is it not a fact that my hon. friend paid the $702,979 after he came into office out of the balance of that year's Estimates?

Mr. HUGHES: No, the debt was there. The House voted whatever balance was to vote and it went to pay these debts.

Mr. CARVELL: My hon. friend is not answering the question. Was not this sum of $702,979 paid out of the Estimates voted in 1911?

[Mr. S. Hughes.]

Mr. HUGHES: Yes.

Mr. CARVELL: Well, that is the end of the whole thing.

Mr. HUGHES: That is what I am trying to put into my hon. friend's head.

Mr. CARVELL: My hon. friend said that he had a debt to pay, whereas he paid only his own debts out of the appropriations voted by Parliament.

Mr. HUGHES: I want my hon. friend to understand that he got a lesson in bluffing last night, and he will get another to-day. The Estimates were presented to the House by Sir Frederick Borden and not by Sam. Hughes.

Mr. CARVELL: And you paid your bills out of the balance of the Estimates voted?

Mr. HUGHES: No. We paid some money out of the sums asked for by my predecessor.

Mr. CARVELL: And now you leave the impression that you had a deficit.

Mr. HUGHES: Nothing of the kind. I found that my predecessor had asked only for certain sums of money that had been paid, and that $649,508 above that had not been voted.

Mr. CARVELL: And we voted that for the year 1911 and paid the bills.

Mr. HUGHES: You did not. Not a dollar of it was voted in 1911.

Mr. CARVELL: I say we voted it for the year 1911.

Mr. HUGHES: No.

Mr. CARVELL: I know that we came back here in 1911. My hon. friend talks about bluffing. He will find it just as well not to use that word. My hon. friend knows that we came back here in 1911 and voted seven-twelfths of the Estimates for 1911-12. Is that right?

Mr. HUGHES: You are making the speech.

Mr. CARVELL: I am asking my hon. friend. I want my hon. friend to answer the question. Did not we in 1912 vote—

Mr. HUGHES: You were not in power in 1912.

Mr. CARVELL: My hon. friend will not facilitate the passing of his Estimates by any such conduct as this. Will my hon. friend, or will he not, answer my question?

The CHAIRMAN: Order. The hon. minister has the floor.

Mr. CARVELL: I want the minister to say whether or not he will answer my question.

The CHAIRMAN: Order.

Mr. CARVELL: I want the minister to answer. Will he answer my question or not?

Mr. SAM. HUGHES: Militia and Defence—

Mr. CARVELL: I knew the hon. minister could not answer it. He knows he is trying to bluff the House; and when his bluff is called, he is not man enough to answer it. That is the trouble with the minister.

The CHAIRMAN: I must remind the hon. member that the hon. minister has the floor.

Mr. HUGHES: I will repeat it again. I do not expect to convince the hon. member for Carleton, because a colleague of his opposite, not a thousand years ago, said that my hon. friend was unbalanced on the top story. I will repeat it again in case there may be some hon. gentleman nearly as dense as my hon. friend is, who does not understand it. My predecessor voted certain Estimates in 1911-12. Whether or not they were all passed makes no difference. After I came into office, out of the moneys, no matter where they came from, we paid $702,979, although probably there had been some moneys paid previously to that. That year's vote was not sufficient by $649,508 to pay all the moneys that were due that year, and therefore there was an overhang.

Sir WILFRID LAURIER: How did the hon. gentleman pay it if he had not the appropriation?

Mr. HUGHES: I paid it the next year, and had an appropriation for it.

Sir WILFRID LAURIER: That appropriation must have been passed.

Mr. HUGHES: Let not the right hon. gentleman indulge in quibbling. He knows the Ordnance accounts; he has gone into that before.

Sir WILFRID LAURIER: What I contend is that—

Mr. HUGHES: I do not wish to be discourteous, but I have the floor and I intend to get a fair hearing. My right hon. friend knows that Sir Frederick Borden ordered, in the summer of 1911, four million dollars' worth of armaments and equipment for this country, and he knows that I have been paying that ever since.

Sir WILFRID LAURIER: My hon. friend could not pay it unless he had an appropriation for it.

Mr. HUGHES: It was a debt on current account, and the right hon. gentleman knows all about it; if not, I will enlighten him and the House too.

Mr. A. K. MACLEAN: Let us understand what the hon. member is talking about; let us make it clear.

Mr. HUGHES: To a great financier like—

Some hon. MEMBERS: Oh, oh.

Mr. NESBITT: The minister will not get his Estimates through in that way.

Mr. A. K. MACLEAN: All I ask the hon. minister to do is to make himself intelligible to the House;—or the question he is discussing intelligible to the House—or else abandon this style of his speech.

Mr. HUGHES: I know this is distasteful to these hon. gentlemen. They have been talking about the extravagance of the Militia Department, and they do not care for these figures. Now, I want to point out to them that there was this debt of $649,000, the money for which my predecessor should have asked, and which I have had to pay.

Mr. A. K. MACLEAN: The hon. gentleman says it is a small matter; why, then, does he make such a fuss about it?

Mr. HUGHES: I will show later this is part of the account. No, I will give it now. In 1911-2—that was my predecessor's year—the militia payments amounted to $7,729,948.

Mr. NESBITT: The hon. minister might tell us what the Estimates were.

Mr. HUGHES: I do not know. They exceeded that, but I have not the figures.

Mr. NESBITT: But that would show exactly what we want to get at.

Mr. HUGHES: The hon. gentleman will have to look them up.

Mr. CARVELL: The minister should have these figures.

Mr. HUGHES: Add to these payments $649,000 for the goods which were delivered under my predecessor's order, and we find that the payments for the year should have been $8,379,000.

Mr. NESBITT: Has not the minister got the Estimates there? We are asking a fair question.

Mr. HUGHES: The question of the Estimates has nothing to do with it.

Mr. NESBITT: Why not?

Mr. HUGHES: If it had anything to do with it, the hon. gentleman can show it when his turn comes to speak. Now, this overdraft was for armament and equipment alone, and does not include minor accounts nor anything on account of the $4,000,000 for armament ordered in the summer of 1911. When I took office the equipment in the stores was practically exhausted. We had not enough uniforms in all Canada to furnish two regiments; not enough equipment for one. Therefore, we have been obliged to build up from that time. The stores were exhausted, I suppose, on account of the South African war. Now, there were other expenditures which my predecessor did not have to face and which should be allowed for if one is to reach a fair basis of comparison. There was an increase of upwards of twenty-five per cent in the force, thus necessitating a considerably larger expenditure. The pay for both horses and men was increased—for the horses twenty-five cents per day. The city corps have been brought out to camp for several days extra. The cadet corps have been developed; 12,000 teachers have been trained; the instruction staff has been greatly increased; and drill halls and rifle ranges have been provided wherever possible. Let me summarize this explanation in the following financial statement:

1911-12—last Liberal year cost		$7,729,948
Add—'Overhang'		649,508
Total		$8,379,456
1912-13—first Tory year		$10,272,759
Deduct—		
Fenian bounty	$ 991,600	
'Overhang'	649,508	
1/3 Overdraft	1,333,333	
Connaught Rifle Range	250,000	
Total	$3,224,441	3,224,441
Real amount for 1912-13		$7,048,318

Thus the expenditure for 1912-13, was really only 4½ per cent of the revenue. There is an item of about $125,000 for a new rifle range in Victoria, B.C., that is a transferance of account. We have a range in this city worth $1,000,000. It is dangerous and the city wants to get rid of it. The city of Victoria has a valuable property which it has given to the Public Works; and the plan was the Public Works would build the rifle ranges or furnish the money therefor. But the funds have not been so furnished. I demanded of the Public Works Department that they build my rifle range and charge it up, but I have not got a dollar. So, the Militia Department is building that range though we have a rifle range in the city and the charge should be made a matter of transfer of account.

Mr. LEMIEUX: Is the rifle range at Victoria to be used as a public park?

Mr. HUGHES: The old one, yes. That is what they want. They have given the Public Works Department of this country nearly a million dollars worth of property. Our rifle range was to go to the Public Works Department. The Public Works Department, it is supposed, will swap the two properties.

Mr. LEMIEUX: At what do you value yours?

Mr. HUGHES: Three quarters of a million, and I am going to get it out of the Public Works Department. No matter whether it is a city corporation or another department, I intend to fight for the Militia Department after this—and I have been doing it all along. So, it will be seen, according to the figures I have given, that my expenditure on a comparative basis as between my predecessor and myself is not very much greater than his. I am not finding fault with what was done. I cheerfully endorse the spending of this $4,000,000, though I knew nothing about it. Sir Frederick Borden explained that it was the necessary result of the adoption of General French's report; and I am not going to criticise my predecessor for having obeyed the order of the House in buying these arms, etc.

Mr. CARVELL: Will the minister give details of this equipment.

Mr. HUGHES: I have not got it here.

Mr. CARVELL: Could the minister not give it generally.

Mr. HUGHES: I will come to it in a moment. I have here the statement of these extraordinary expenditures for the financial year 1912-1913:

Extras—	
Fenian Raid Bounty	$ 991,600
Overdraft, 1911	649,508
1/3 of $4,000,000	1.333,333
Increase in militia	550,000
City Corps in camp	200,000

Increase pay—	
Men and horses	$ 80,000
Cadets and teachers	350,000
Drill-halls	530,000
Connaught Rifle Range	235,000
Extra clothing, etc.	500,000
Total	$5,419,441

The expenditure for that year was $10,272,759. If we deduct these extraordinary expenditures of $5,419,441, we ascertain the expenditure on the same basis as that made by my predecessor. We find, therefore, that the relative net expenditure for 1912-1913 was $4,853,318.

Last year the following classes were trained: permanent, 3,000; non-permanent, 57,527; cadets, 44,680; teachers, 12,000; a total of 117,207 persons.

Mr. PARDEE: The minister mentioned the sum of $4,000,000; did he arrive at that by a process of elimination, or is that what the whole militia is costing this year?

Mr. HUGHES: I am giving these figures only for purposes of comparison. As the hon. gentleman has indulged in criticism of the alleged extravagance of the Militia Department, I am making a comparison of previous expenditures with expenditures under this Administration. After deducting extras, of which I have given a list, I find that the expenditure is only $4,000,000.

Mr. EMMERSON: The hon. gentleman is simply making a tu quoque argument.

Mr. HUGHES: That is all. In 1911-12 there was spent on the militia the sum of $7,729,948, which, plus overdraft due, $649,508, makes a total of $8,379,456. In that year the following were trained: permanent, 3,000; non-permanent, 44,710; cadets, 12,000; teachers, 221; total, 59,931, an average of $139 per head.

Upon the army and navy Great Britain spends 40 per cent of her revenue; France, 30 per cent; Germany, 53 per cent; Italy, 24 per cent; United States, 47 per cent, including expenditure on pensions; Australia, 27 per cent; New Zealand, 5½ per cent; Canada, 7¼ per cent, including pensions; Canada, militia alone, 5⅝ per cent; Switzerland, 26 per cent. To show that the Militia Department has been moderate in its increase of expenditure, I wish to point out that the increased percentage of expenditure in 1913-14 over 1912-13 was 166 per cent in the Department of Public Works, 37 per cent in the Department of Railways and Canals, 59 per cent in the Department of the Interior, and 22 per cent in the Department of Militia. The expenditures in the Militia Department in 1913-14 were but 5⅜ per cent of the total revenue, while in the Department of Public Works the percentage was 29½ per cent, and in the Department of Railways and Canals, 24⅝ per cent. In 1913 Great Britain spent, per capita, $2.99 upon her army and $4.97 upon her navy, a total of $7.96. The figures for France are $4.92 for the army and $2.29 for the navy, total, $7.21. Germany: army, $4.50; navy, $1.71; total, $6.21. Italy: army, $2.36; navy, $1.44; total, $3.80. United States: army, $1.74; navy, $1.44; pensions, $1.90. That does not include the state militia. Australia: army, $3.01; navy, $2.49; total, $5.50. New Zealand: army, $2.29; navy, 45 cents; total, $2.74. Canada: militia, $1.27; navy, 36 cents; total, $1.63.

I wish to point out that the money expended upon the militia is more evenly distributed throughout the length and breadth of the land than the money expended by any other department. The Marine and Fisheries Department includes, of course, the fishery protection service. The following statement shows the distribution of funds as estimated for 1914-15:

Pay, wages, money, allowances, etc.	$5,088,300
Forage, rations, food, etc.	621,631
Transport	662,469
Purchase of clothing, stores and supplies in Canada	2,791,500
Purchase of lands, rents, water, lighting, heating of buildings and other expenses	699,000
Purchase of warlike stores in England	1,182,500

I know that hon. gentlemen of the Committee will be interested in information regarding the inspections made by Sir John French in 1910 and Sir Ian Hamilton in 1912. Sir John French made twenty inspections; Sir Ian Hamilton thirty-one. Sir John French inspected 105 units; Sir Ian Hamilton, 190. 19,611 troops were inspected by Sir John French, and 37,401 by Sir Ian Hamilton. The cost of the inspections made by Sir John French was $10,992.88. The Department of Railways and Canals supplied free the cars necessary for Sir John French and staff; hence there is no charge for these in 1910. The cost of the inspection made by Sir Ian Hamilton was $20,740. Inasmuch as the Department of Railways and Canals had not cars available for General Sir Ian Hamilton and party, these had to be hired from the Canadian Pacific railway and the Pullman Company.

Mr. PROULX: Was there a special train?

Mr. HUGHES: Sir John French travelled 3,633 miles.

Mr. PROULX: I am asking the hon. member a question. Did Sir Ian Hamilton and party travel in a special train?

Mr. HUGHES: I will be glad to answer any questions gentlemen on the other side ask. Sir Ian Halmilton travelled 13,051 miles.

Mr. CARVELL: I rise to a point of order. The hon. gentleman says that he will answer any questions asked by gentlemen on this side, yet he has not answered the question asked by the hon. member for Prescott.

The CHAIRMAN: I understand that the point of order is that the hon. member for Prescott has asked the minister a question, which has not been answered. The rule says that any member who has the floor is at liberty to answer or not to answer any question which is asked of him. If the minister does not answer the question, we must understand that he does not desire to do so.

Mr. CARVELL: We understand that he did not mean what he said.

Mr. HUGHES: Owing to the fact that the camps of training were laid out in the worst possible manner, to economize time, a great deal of additional and unnecessary time and travel were rendered obligatory in order to enable Sir Ian Hamilton to see the various bodies of troops. I now wish to give to the committee the recommendations of Sir John French, Sir Percy Lake and Sir Ian Hamilton with regard to guns. The following guns were recommended by Sir John French and Sir Percy Lake:

13 pr.	24
18 pr.	220
Howitzers	72
Heavy	24

The following were delivered up to October, 1911:

13 pr.	24
18 pr.	100
Howitzers	8
Heavy	24

No guns have been delivered since October, 1911. I want to be distinctly understood as not finding fault with or criticising my predecessor. This House endorsed Sir John French's report when it was made, and I take my full share of responsibility in that connection. The comparisons I have made are presented merely with a view to showing that I am bearing the cost of orders placed before I took office and that if my predecessor were still in power he would have to increase his Estimates the same as I am doing. The distribution of rifles has been as follows:

Short Ross—	
Issued to troops and cadets	54,286
On ordnance charge	5,725
	60,011

Note.—Of those, approximately 40,000 are fitted with aperture sights.

Long Ross—	
Issued to troops	8,960
On ordnance charge	3,429
	12,389

Note.—These rifles are supplied with bridges on which rear aperture sights may be fitted when available.

Mark III—	
On order	20,000

Note.—These rifles are being fitted with rear aperture sights and are now being delivered.

I think since I came into office I have ordered one batch of ten thousand. There is an order due last November and I only learned yesterday that I had never put the Order in Council through. There should be ten thousand every year and I have only given one order.

Mr. LEMIEUX: Has that Order in Council been passed?

Mr. HUGHES: No, not yet.

Mr. LEMIEUX: What is the price of the rifle?

Mr. HUGHES: It is $26.90 I think. I shall give these particulars later. I wish to discuss the subject of European visits.

Mr. LEMIEUX: South African visits.

Mr. HUGHES: South African visits? I have not been to China and Japan yet, but I am going and will come back wearing my hair the proper way.

Annually, for a number of years, my predecessor sent military officers to the old land. In 1907-8, seven officers and six non-commissioned officers were sent. They cost the country $26,772 or two and a half ordinary good town drill-halls. In 1908-9, my predecessor sent six officers and six non-commissioned officers. Mark you, these were all of the permanent force and these moneys were voted by this Parliament, my right hon. friend the leader of the Opposition being then Prime Minister, supported by hon. gentlemen opposite. For these six officers and six non-commissioned officers the cost in 1908-9 was $32,601, or three drill-halls and a half.

Mr. CARVELL: Would the minister say how long the officers remained in England?

Mr. HUGHES: Yes, later on I shall. If the hon. gentleman will let me proceed in my own way I shall be delighted to do it.

Mr. CARVELL: We will have to if he will not give the information.

Mr. HUGHES: I shall give the information but I shall give it in my own way. We may as well understand one another from the drop of the hat. For 1909-10, seven officers and six non-commissioned officers cost $20,315; a moderate sum, only two drill-halls. In 1910-11, fifteen officers and six non-commissioned officers cost $46,-082. These men were sent to England by my predecessor in office. I am not finding fault with him for that, I endorse him, and I am man enough to back him up for doing it; I am not coward enough to turn around and criticise him now that he is out of power for doing this, because he did it in the best interests of the force. I backed him then and I back him to-day. I varied the programme slightly.

Mr. MARCIL: Is it not a fact that the hon. gentleman's predecessor in office did more for the Militia Department than any other Minister of Militia ever did before?

Mr. HUGHES: That is a relative question. It is like asking a fellow which is the more beautiful girl when both are present. I shall say this much for my predecessor, that he was a mighty good Minister of Militia. I have said that before and I will say it here.

Mr. EMMERSON: Perhaps my hon. friend will explain for what reason the officers went over?

Mr. HUGHES: For training, just to learn. If hon. gentlemen will allow me I want to present my statements in my own logical way. I like to do things logically.

Mr. CARVELL: Your own logic.

Mr. HUGHES: That is all right, I go through the world that way. I do not go through the world engineered by any other fellow. In 1911-12, for twelve officers and six non-commissioned officers, my predecessor paid $38,729 of the money of the people of Canada and I endorsed him in it and I endorse him to-day. That is four drill halls. In 1912-13, the first year I was in office, this jumped up to $44,707; but every officer who was sent had been picked and billed to go by my predecessor and I carried out the bill. I shall tell you how I showed my loyalty to my predecessor as I would to any man whom I succeeded. One officer had stood at the polls at Halifax and had turned all the votes he could from my right hon. leader (Mr. Borden), had canvassed against him and got men out of the way whom he could not influence against him. I should have dismissed the fellow from the force. I did not do it, he was a good officer.

Mr. EMMERSON: You applied the golden rule?

Mr. HUGHES: No, I did not; I gave him a lecture.

Mr. GRAHAM: You gave him the worse punishment of the two.

Mr. HUGHES: I brought him to Ottawa.

Mr. KYTE: Slow torture.

Mr. EMMERSON: What did the Postmaster General say about it?

Mr. HUGHES: I brought him to Ottawa. He saw his mistake and I forgave him, but I sent him back to his regiment. He was a good officer but a foolish misguided fellow in politics. He was brought before me, I showed him his error and sent him back to his regiment. I found out that he was one of those billed to go to England, and although the department had been largely loaded up by friends of the Administration of hon. gentlemen opposite, I sent that fellow to England to take his course, and his expenses form part of the $44,000 rolled up here. The next year, 1913-14, I changed the programme and the cost of sending officers to England was reduced to $10,000. These officers went over from the permanent force. I am not saying one word against the permanent force. The officers are splendid fellows as a rule, tip-top fellows; but I want the House to understand that the Dominion of Canada has too long educated these men. The farmers and taxpayers of Canada have been educating the permanent officers for a good many years. We send them to the schools, we take them in as novices, we send them for the long course in England. I claim that this course could be as well administered here and accordingly we brought out—for my predecessor had adopted this plan and we carried it on—we brought out officers for especially training these men. We let the officers who are being trained carry on their work in the regiment in the ordinary service at the same time that they were

taking their instruction and in this way we saved money. The permanent force in Canada are but a handful, some three thousand, many of them are utilized as servants. The officers, nice young fellows, would not officer more than a couple of regiments. The men who would have to do the fighting, who have done the fighting, are largely the non-permanent officers and non-permanent men of this country. I looked around from the Atlantic to the Pacific, I saw men of worth, education, stand and culture like my hon. friend from Woodstock, N.B. (Mr. Carvell), and myself and a lot more of us who had given their time, energy and skill for years—

Mr. CARVELL: I am not in your class.

Mr. HUGHES: I was going to bring you up to my level. I could give the names of officers who have spent $50,000 on their regiments, and who annually spend $5,000 to $10,000 on the militia. Lawyers, doctors, teachers, farmers, business men, and preachers—for we get some of them—are the men who officer the militia of this country. I made up my mind that the young permanent corps fellows, splendid boys though they be, were not going to be the only ones to have an opportunity of studying the militia of other lands. The first year I had a chance, I sent over seven officers and two non-commissioned officers to the British manoeuvres. The success of the experiment was splendid. The cost was $6,800, and they watched the British and French manoeuvres for weeks. In 1913-14, sixteen non-permanent officers and five permanent officers went over at a cost of $24,-620.33—two drill-halls and a half. They saw the British manoeuvres, the French and the Swiss manoeuvres. The officers who went over were chosen from all parts of Canada, regardless of politics. There was, I think, one more Grit than Tory in the party.

Mr. LEMIEUX: Did you go to Belgium?

Mr. HUGHES: Yes, personally.

Mr. MARCIL: Were you recognized as Canadians or Britishers?

Mr. HUGHES: I do not know what the hon. gentleman means.

Mr. MARCIL: Were you recognized as British officers?

Mr. HUGHES: They knew we were Canadians, but of course my hon. friend is aware that the arrangements were made through the British authorities.

[Mr. S. Hughes.]

We are British officers, although we are Canadians. I am a British officer. We were received with the utmost courtesy. I might point out that at these foreign manoeuvres only two officers are allowed in uniform from each country, and the rest go in mufti.

Mr. LEMIEUX: I am told that my hon. friend was taken for Kitchener.

Mr. HUGHES: I take that as a compliment; I certainly was not taken for the Emperor of Japan. The officers owed much to the kindness of General French, General Hamilton and General Ellison. General Ellison was a very old friend to the Swiss and his kindness made the way smooth for us. Every officer from Canada received the most courteous treatment everywhere, I am glad to say.

In regard to Switzerland, I have been studying with a great deal of interest the militia system of that country for the past two years. In that country the service is obligatory and universal. There are three classes: the Elite, comprised of men between twenty and thirty-two years of age; the Landwehr, thirty-three to forty years; and the Landsturm, forty-one to forty-eight years. The administration is partly by cantons, and partly by the Confederation. There is a non-training tax. I want to emphasize that point. Every man, rich or poor, who does not train has to pay 6 francs a year, and an additional 1½ francs for each 1,000 francs of net property and 100 francs net income. In 1911 the Swiss people paid 44,777,894.15 francs towards the militia out of a total expenditure of 172,439,221 francs. That is in Confederation taxes alone. The amount spent on the militia represents 26 per cent of the total expenditure of the country. The rifle ranges, and organizations of that sort, are paid for by the cantons. The total force in 1911 was 408,600,851; made up of 142,054 men in the Elite; 69,513 in the Landwehr; 68,579 in the Landsturm; and 206,705 in the Complementary. I think the oath of the Swiss soldier will stand repeating:

Le serment de fidélité au drapeau est prêté selon la formule suivante:

'Les officiers, sous-officiers ou soldats jurent ou promettent solennellement:

'De rester fidèles à la Confédération; de sacrifier leur vie pour la défense de la patrie et de sa constitution; de ne jamais abandonner les drapeaux; de se conformer strictement aux lois militaires; d'obéir scrupuleusement et ponctuellement aux ordres de leurs chefs; de maintenir et d'observer une discipline sévère et de faire tout ce que l'honneur et la liberté de la patrie exigent d'eux.'

Or, in English:

Officers, non-commissioned officers and soldiers, swear, or promise, solemnly to remain faithful to the Confederation; each to sacrifice his life for the defence of the country and of its Constitution; never to abandon the colours; to conform strictly to military law; to obey scrupulously and punctually the orders of superior officers; to maintain and observe a rigid discipline and to do everything which the honour and the freedom of the country require of them.

In passing, I might say that all the officers who went over to the British manoeuvres were men of high standing in their local communities. Since their return they have given, regularly, lectures to the various corps in the country—a thing never done before, and in that way the whole militia is getting the benefit of their experience at the foreign manoeuvres.

The Dominion arsenal has been revised. Without going into details, I might say we found defects in the ammunition. Accidents were occurring all the time, and two of the very best experts were brought over from the war office to look over the arsenal. In brief, their report was as follows: No adequate inspection; twelve million rounds of rifle ammunition was ordered to be destroyed as unfit; eighteen-pounder quick-firing ammunition was found to be defective, the loss on these eighteen-pounders amounting to $100,000; there was no cordite for 6 months during which time bullets and cases were made; seven thousand eighteen-pounder shells had been completed, and 20,000 partly so, but only one was found to be properly shaped; 75 were selected for the firing test, 15 of which would not enter the gun at all; one burst within the gun and nearly spoiled it—a $7,000 gun. New dies and machinery have been put in and the very best ammunition is now being turned out. I would ask the House to call it six o'clock. I wish to thank hon. gentlemen very much for their patience.

Mr. CARVELL: Would the minister answer the questions which I asked of him as he so kindly promised?

Mr. HUGHES: I have taken a note of the questions.

Mr. CARVELL: That is as to the time the officers remained in England during the years 1907-8-9-10.

At six o'clock the committee took recess.

The Committee resumed at eight o'clock, Mr. Blondin in the chair.

Militia and Defence—allowances, active militia, $123,000.

Mr. PROULX: Before we proceed to any item, I desire to say that the minister this afternoon said that he courted any question we wanted to put to him from this side of the House. I rose a few times to put some questions to the minister and he did not pay any attention to me. I have been informed that he said that he would answer only questions put by gentlemen. I would like to know whether or not he made that statement.

Some hon. MEMBERS: Answer.

The CHAIRMAN: Order. I think the hon. member should speak to the question.

Mr. PROULX: I put some questions to the hon. minister this afternoon and he did not pay any attention to me. I am told that he said that he would answer only questions put by gentlemen. I want to know whether or not he made that statement.

Mr. HUGHES: I do not find the item in the Estimates.

Mr. A. K. MACLEAN: I hardly think that you, Mr. Chairman, should encourage the Minister of Militia not to answer the question of my hon. friend from Prescott. It is surely a fair question and it does not matter whether or not it is pertinent to the item before us; it is certainly deserving of a reply. My own impression is that the hon. minister did not make the remark which the hon. member for Prescott has been advised was made by the minister, but it would be assuring to have the minister say that he did not make that remark.

Mr. HUGHES: I will not answer any such question put in any such tone.

Mr. CARVELL: I hope my hon. friend the minister will not take this course. He evidently is labouring under a very grave delusion. He has invited the members of the Opposition to be here; and while we realize that the minister is running the affairs of the Militia Department at the present time, surely he does not deny the right of members of the Opposition, when they are invited to be here, to ask him questions. I do not know just what object the minister had this afternoon in treating the member for Prescott as he did. I called his attention in a gentlemanly manner to the fact that the hon. member for Prescott had asked him a question and that he had not answered it. No matter whether or not the minister has some feeling against the hon.

member for Prescott, the hon. member for Prescott is a member of this House and the minister, I think, is approaching this matter from entirely wrong premises. He seems to have the idea that the moment a member of the Opposition asks him a question, it is a signal for battle and he must fire some pert reply at him. We do not ask the minister questions with that object in view, and surely he does not want us to reply in kind. I do not want to threaten the minister, but the course he is taking does not lead to a proper discussion of his Estimates. When the minister is asking us to vote ten or eleven million dollars, surely he must admit the right of members of the Opposition to ask questions. I appeal to the minister to forget any feeling he may have and to forget the fact that he has done what perhaps no other minister has done in the history of Canada, namely, sent out a notice to every member of the Opposition to be here, which is practically a challenge: Come along now and I will insult you, because that is evidently the way in which it appeals to us. The minister may say that he has not that object in view. If he does, we will accept his statement, and we shall be glad to have him take that ground. We do not want to feel that the minister has tried to insult us, but when any member of the Opposition asks the minister a fair question, he is entitled to a fair answer, regardless of any personal feeling the minister may have toward that member. I think that is a fair proposition.

The minister this afternoon took occasion to tell me that I was bluffing him. I was not doing so; I was trying to get information. I do not want to reveal any personal matters, but I had a conversation with the minister about this very matter before, and I think the minister will remember the occasion. I went to the gentleman who was responsible at the time and asked him about it, and he told me there was nothing in it. I want the information. I do not care if Sir Frederick Borden left a debt of $2,000,000; that is Sir Frederick Borden's business, and the minister is perfectly justified in giving the facts to Parliament. We do not want the minister to gloss over anything that took place in the regime of his predecessor; we want him to give the facts. I had a right to ask the minister the question, and I had a right to receive a fair answer, and I do not want to be charged with bluffing when I ask the minister a fair question. I am not threatening; I want the minister to get that idea out of his mind once and for all. I am only trying to present this proposition to him; and the minister ought to get rid of all his bellicose ideas and realize that he is not the Minister of War to-night, but a minister of the Government, coming here to ask Parliament to vote him ten or eleven million dollars, and that the members of the Opposition have a right to ask him questions and receive reasonable and courteous replies. The minister stated to me that he would be pleased to answer any question put by any gentleman. I do not mean to say that the minister intended to convey any insulting reference to the hon. member for Prescott. I must say that, when the answer was given to me, it did not so impress me; and I do not think the minister intended to take that course; but it evidently impressed the member for Prescott in an entirely different manner. The minister made that statement; and I think it is only fair to himself, let alone the hon. member for Prescott, that he should tell the hon. member whether he intended to apply that remark to him in an insulting manner or whether it was only said in a courteous way.

Mr. HUGHES: I am obliged for the very nice lecture I have just received—

Mr. CARVELL: There you are again.

Mr. HUGHES: What right has the hon. member to stand up and lecture me? I have answered every question that has been put to me this afternoon.

Mr. CARVELL: Save one.

Mr. HUGHES: I had not the data at hand in regard to that one; I have it now. I have answered every question that any gentleman has asked me this afternoon. I need not have answered any question at all when I was making my remarks. I was in the midst of an idea when the right hon. leader of the Opposition sought to ask me a question; but as he was interrupting the thread of my argument at the time, I asked him to wait until I got through with my line of thought. The hon. member for Carleton is not in a position to lecture me. He got up once or twice this afternoon to make a speech, if I remember aright—

Mr. CARVELL: No.

Mr. HUGHES: Well, a miniature speech we can call it. I will answer any question courteously put to me; but I must decline the right of anybody to catechize me as to what sort of temper I was in, or whether I made a statement in this manner or in that manner; my language will speak for itself. I think the hon. member will search in vain the annals of this House for the record of any man who has been more ready to furnish information and data to his opponents than myself. During the three years that I have been presenting the Militia Estimates, the items were sent out every time to every hon. member in advance, so that they could have the fullest opportunity of getting posted as to the facts.

Mr. CARVELL: My hon. friend is in error. The same course was pursued by his predecessor.

Mr. HUGHES: In general, not in detail. I have all the reports.

Mr. CARVELL: There was a document of some kind.

Mr. HUGHES: Yes, a general document, but my information was sent out in detail, giving every vote.

Mr. CARVELL: That is a matter of degree.

Mr. HUGHES: Yes, but I sent out the information, showing that I was anxious to inform the House and the country as to the matters of my department. I have come here and shown frankly that I endorsed every vote that Sir Frederick Borden asked for. I am not finding fault with that; I have brought this matter up merely to show that, no matter who was in charge of the Militia Department, these accounts had to be paid.

Mr. A. K. MACLEAN: The minister has indeed been very generous in answering questions, but the complaint of the hon. member for Prescott is a rather personal one and I think the minister should give it his attention.

Mr. HUGHES: If it is a personal matter, let the hon. member come to me personally and I will talk to him.

The CHAIRMAN: I must remind hon. members that the rule is that the point of order or objection to any word must be taken immediately upon its being spoken. I myself did not hear the word, but the rule as laid down by Bourinot is as I have said and I rule accordingly.

Mr. PROULX: I put a fair question to the minister this afternoon; I will put it to him again and I hope he will answer it. He was speaking about the travelling expenses of Sir Ian Hamilton and himself last summer and he was comparing them with the expenses of the trip of Sir John French. I asked him whether or not he travelled with Sir Ian Hamilton in a special train and he declined to answer my question. Will the minister answer the question now?

Mr. HUGHES: Sir Ian Hamilton travelled with me in a special train.

Mr. PROULX: How much did the hon. gentleman pay for that special train?

Mr. HUGHES: I gave the figures this afternoon.

Mr. PROULX: The figures were given in a lump sum; I would like to know what was the cost of this special train?

Mr. HUGHES: The figures have been given two or three times during this session, in answer to questions.

Mr. PROULX: Can the minister not give me the information now?

Mr. HUGHES: I will get the information for the hon. gentleman when we take up the item.

The CHAIRMAN: I am confronted with a difficult question. I would like to know whether it is the desire of the committee to have a general discussion, or whether we shall proceed item by item.

Mr. HUGHES: Having given my general statement this afternoon, I am now ready to be interrupted just as often as hon. gentlemen desire to ask questions. I will endeavour to answer their questions, as I have always done, frankly and squarely, with no turning corners and with no equivocation whatever.

The CHAIRMAN: I must insist on having the decision of the committee, because I am in a difficult position. The rule says that speeches in Committee of the Whole must be strictly relevant to the item or clause under discussion.

Mr. CARVELL: Would it not be a very grave error on the part of this committee to depart from the rule which has been adhered to, according to my recollection, for the last ten years? The rule has always

been in our book of rules, but we have never been absolutely confined to the single item under discussion. A wide range of discussion is allowed, and I do not think the Minister of Militia will take the ground that we are to be absolutely bound down to the item under discussion.

Mr. HUGHES: Last year and other years there was always a great deal of rambling over almost everything.

Mr. KNOWLES: I do not think we should have this as a matter of grace or favour from the minister. We do not want any favours from this minister, conversation in the corridor used in public addresses to the contrary notwithstanding. I do not wish to reflect upon your action in raising the point, Mr. Chairman, but it seems to me to be very strange that it should be necessary to have the decision of the committee formally declared in this matter when the wide discussion of Estimates has been the custom, to my knowledge, for nine sessions. If the Chair were anxious to comply with the rules, would it not have been more in order to say: have we the unanimous consent of the committee to go on with these Estimates to-day, it being Thursday, and the Estimates not having been previously taken up? I wish to place myself on record as contending that we have the right, according to custom almost from time immemorial in this House, to ask the minister at the opening of his Estimates any question with regard to the expenditures of his department,

Mr. McCREA: I asked the minister some questions in connection with the renting or purchasing of property in Sherbrooke from Mrs. A. N. Worthington, and I got the reply that the property was leased at a rental of $100 a month and was being used for temporary quarters. For what purpose are those quarters to be used?

Mr. HUGHES: As the hon. member knows, the armoury part of the drill hall of the 53rd regiment is not yet ready. The old court house is to be fitted up for that purpose, and in the meantime the officers, non-commissioned officers and band must have other quarters. These rooms have been rented for that purpose.

Mr. McCREA: Are the men going to drill there?

Mr. HUGHES: They are to have their lectures and meetings there, the same as they do in drill halls.

Mr. McCREA: Are these premises to be used, according to military terms, as an officers' mess, or what I would call an officers' club? For what purpose are they to be used?

Mr. HUGHES: In every drill hall in Canada they have rooms for the purpose of holding meetings, lectures and so on, and where the drill hall does not provide that accommodation, we rent premises outside. They are used by the officers for lecture purposes, for examination purposes, for studying and, I presume, for conversation and smoking.

Mr. McCREA: The St. George's Club building was burned last fall, and the club moved into this building and are now, or were until lately, occupying it. Have any arrangements been made with the St. George's club to remain there, and if so, on what terms?

Mr. HUGHES: I understand that the club has given notive to vacate the premises and allow the officers to take charge.

Mr. McCREA: How soon?

Mr. HUGHES: I do not know the details, but I can find out.

Mr. McCREA: My information from people in Sherbrooke is that the members of the St. George club are to remain there as the guests of the officers of the 53rd regiment until such time as they have rebuilt their own building. Is that correct?

Mr. HUGHES: I have never heard of it, but I will look into the matter.

Mr. McCREA: When was this building rented from Mrs. Worthington?

Mr. HUGHES: Very recently; within the last few weeks.

Mr. McCREA: Permit me to ask again whether or not these premises are to be used for what is called in military terms an officers' mess?

Mr. HUGHES: It is used identically for the same purposes as similar rooms are used in drill halls: for the holding of meetings and for any legitimate purpose in connection with the regiment.

Mr. McCREA: This building, I believe, has been used as an officers' mess, or officers' club. It is also used, and has been since last December, by the St. George's Club, and I understand and believe they are still occupying it. My information was they were invited to remain there as guests of the 53rd Regiment until they had rebuilt their own building.

I am not jealous of this, nor do I think the recompense is more than the St. George's Club deserves, for I think they are worthy of nearly everything the Conservative party can do for them, because that institution has been a Conservative committee room ever since I knew anything about it, and I assume it is yet. But what I am a little inquisitive about is whether it is necessary to have a place of this kind or not. We have two drill-halls in the city of Sherbrooke, and a good deal of military equipment. I am inclined to think that the expenditure of public money for an officers' club is not quite the best use of public money, even for military purposes. I think the people of the county of Sherbrooke will tell you so when the proper time comes. The city of Sherbrooke has a population of less than 20,000. We have two pretty expensive drill-halls, as I have said, one with a complete armoury, and the other is to have an up-to-date armoury in every respect. Now, militarism may be a good thing, but I do not know that a population of nearly 20,000 needs two drill-halls. Besides these, the militia occupy two other buildings. In the Brooks block, they are using the upper stories, as well as an apartment downstairs, for which they pay $75 per month, and they rent this property from Mrs. Worthington, for which they pay $100 per month. I think that public money could be spent to better advantage. If, for instance, the same amount were devoted to teaching the people how to farm properly, it would serve a better purpose than spending it on militarism. I am not inclined to find a great deal of fault politically, because I think this will do more good to me than to the party it was intended to help. But politics is not a thing in which I make my living nor is it a thing in which I am much interested. My business here is to give the Government my advice and opinion; and my advice and opinion is that it would be well for the Prime Minister to pay a little attention to the militia administration.

The Minister of Militia, this afternoon, referring to an answer I had made to him, said that I had just woke up. Perhaps I have; and perhaps I have taken longer to wake up than I ought. But I think he will find that a lot of other people have waked up, and are waking up. They say that a word to the wise is sufficient; and I will just take the minister into my confidence to the extent of telling him that I do not think his militarism is quite as popular in the county of Sherbrooke as he believes it to be. I would advise him to go slow and be careful. The minister also said that it was a necessary part of the training of young men to teach them to shoot straight in case of trouble. I do not know whether the people who attend that club will be able to shoot straight when the time comes or not. My impression is they will not.

Mr. HUGHES: The hon member has proven himself a veritable warrior—blackguarding the St. George's club behind their backs.

Some hon. MEMBERS: Oh, oh.

Mr. HUGHES: I know nothing about it; never knew there was such a club in existence, and do not know it yet.

Mr. KNOWLES: I rise to a point of order. I ask whether if it is in order even for a minister of the Crown to say that an hon. member of this House 'blackguards' anybody. And if that expression is unparliamentary I ask that the minister be commanded to take it back.

Mr. HUGHES: Mr. Chairman—

Some hon. MEMBERS: Chair.

The CHAIRMAN: The minister has a right to speak to the point of order.

Mr. HUGHES: I did not charge any man with blackguarding—

Mr. KNOWLES: What did you say?

Mr. HUGHES: The hon. gentleman can find that out from the 'Hansard'. The hon. member has seen fit to take a certain course—

Mr. KNOWLES: The hon. minister can speak to the point of order, but he cannot speak on other matters until the Chair has ruled. My point is this: That the Minister of Militia did say of the hon. member for Sherbrooke (Mr. McCrea) that he had blackguarded the St. George's club behind their backs.

The CHAIRMAN: Do I understand that the words have been used?

Mr. HUGHES: You heard what I said.

The CHAIRMAN: I am afraid the word 'blackguard' applied to any hon. member of this House is pretty strong language. It is better that it should not be used in this House.

Some hon. MEMBERS: Withdraw. Take it back.

Mr. HUGHES: I have not used the word with reference to any member of this House.

Mr. KNOWLES: I ask your ruling, Mr. Chairman. I say that in my hearing the hon. minister used the expression in regard to the hon. member for Sherbrooke 'blackguarding the St. George's club behind their backs'.

The CHAIRMAN: The minister had better explain what he meant and to whom he applied the word. If the word was applied to the hon. member, I must repeat, it should not be used in this House and should be taken back.

Some hon. MEMBERS: Chair.

The CHAIRMAN: Order. I understand the minister says he did not apply the word to the hon. member.

Some hon. MEMBERS: He did.

Mr. KNOWLES: My point of order is— But I see the minister has risen, does he wish to speak to the point of order?

Mr. HUGHES: I am not speaking to a point of order.

Mr. KNOWLES: Then, I am not through with it, Mr. Chairman. It is not enough for you to rule that the expression should be withdrawn, but it is your duty to compel its withdrawal. If a member commits a breach of parliamentary decorum, he cannot evade or escape the ruling of the Chair by saying that he did not say what every member heard him say. As he has used the expression—as you heard him use it—it is not only your duty to rule it out of order as unparliamentary, but it is equally and imperatively your duty to command him to take it back.

Mr. MICHAEL CLARK: May I be allowed to analyse briefly what the minister said. Perhaps he does not have a full appreciation of the significance of the language he used and, I say that in all charity. What we heard on this side was a charge on the part of the minister that the hon. member for Sherbrooke had blackguarded the St. George's club of his town of Sherbrooke—

Some hon. MEMBERS: Behind their backs.

Mr. CLARK: That does not apply. Now, to blackguard persons as I understand that word, is to use blackguardly language concerning them. And blackguardly language is used only by a blackguard. Therefore, when the minister charged the hon. member with having blackguarded the club, he, in effect, charged him with being a blackguard. I offer that suggestion to the minister in all charitableness and fairness. And, I think Mr. Chairman, the use of such language as I have quoted is sailing very close to the wind to say the very least of it.

The CHAIRMAN: There is a rule which says that whatever a member says in explanation, whether relating to the words or to the meaning of his speech, is to be taken as true and not afterwards called into question. It is true that I have heard the word 'blackguard,' but the fact that the minister said that he did not apply the word to the hon. member falls under this rule, and I think even if it could be interpreted in the way some members interpret it, it can be taken as having been taken back.

Mr. HUGHES: The hon. member has referred to the renting of these halls. He knows as well as any one that there are two regiments in Sherbrooke, and he knows as well as any one the cause of the difficulty that has arisen in the city of Sherbrooke. One is a very excellent French-Canadian regiment.

Mr. PARDEE: What was your ruling, Mr. Chairman?

The CHAIRMAN: I ruled that the hon. minister having declared that he did not apply the words to the hon. member for Sherbrooke, the point of order is settled.

Mr. PARDEE: To whom did he apply them?

Mr. CARVELL: I have been listening attentively, and I have not yet heard the minister say that he did not apply these words to the hon. member for Sherbrooke.

The CHAIRMAN: The question is settled.

Mr. CARVELL: I think the minister has almost attempted to deny having used these words. We all know he did use them. His friends behind him as well as members on this side know that he did use the words. If the minister wants to make an explanation according to your ruling, and say that he did not apply them to the member for Sherbrooke, possibly he would have the right to do so. I feel that we ought to have this matter settled, and the minister has no

more right in this House than a common member. Surely the minister does not want to transgress the rules of debate. I think it is his duty to explain exactly what he did mean by the word he used.

Mr. HUGHES: I have stated that I did not apply the words to the hon. member for Sherbrooke, and that ends the matter as far as I am concerned.

Mr. CARVELL: To whom did you apply them?

Mr. HUGHES: I am not called upon to say.

Mr. KNOWLES: On the point of order—

The CHAIRMAN: I consider that the point of order is settled.

Mr. KNOWLES: No; I have the right to appeal; but before appealing—

The CHAIRMAN: It is perfectly in order to appeal—

Mr. KNOWLES: Before appealing, I wish to ask the Prime Minister, who is regarded on this side of the House as in every way a perfect gentleman, if he will give to us an expression of his opinion as to the propriety of the language used by his Minister of Militia with regard to the hon. member for Sherbrooke. The Prime Minister is responsible for the decorum in this House and I ask him, partly out of kindness for the Minister of Militia himself, to give us an expression of his opinion of that language.

Mr. BORDEN: As I understood the Minister of Militia he said he did not apply any such expression to any hon. member in this House.

Mr. KNOWLES: Did you believe him.

The CHAIRMAN: Order.

Mr. BORDEN: My hon. friend knows that the significance of the words of any member of this House must be taken according to his intention as declared. He has declared that he did not apply any such expression or intend to apply any such expression to any hon. member in this House.

Mr. CARVELL: Why did he use it?

Mr. KNOWLES: The Prime Minister has not told us all he thinks about it.

Mr. HUGHES: The member for Sherbrooke (Mr. McCrea) knows the reason for the new regiment there. One is French-Canadian and the other is English. The 53rd had no drill-hall, they were occupying the drill-hall in the French-Canadian end of the town and in order to get rid of the difficulty created not by me but by my predecessor—I do not know whether my hon. friend was instrumental in having the matter arranged—at all events it was done under the rule of my predecessor the French-Canadian regiment, the 54th, a very excellent regiment, was placed at the upper end of the town in the new drill hall. The 53rd were going to occupy it at certain times until their own drill-hall would be ready. Their own drill-hall was not ready, and the armouries, as the hon. gentleman knows, were not ready. They had good quarters in the old drill-hall. It would have been unfair to have asked them to leave this old drill-hall, to give up the rooms where the officers held their meetings and go uptown where they had no rooms to go to. In other words, the department having moved them out of the old drill-hall, had to put them into the armouries where they would have offices. These are the offices for the new regiment, the 53rd and it is the intention to occupy these until the old building has been placed in a condition to be used as offices for the 53rd Regiment. The hon. member knows that as well as any one and I fail to see the motive for his action to-night. I have never heard of any other purpose until to-night.

Mr. TOBIN: I might say to the Minister of Militia that the people of the Eastern Townships are surprised at the minister, after saying that he is abolishing liquor in all camps throughout this Dominion, allowing his officers to have rooms in the St. George's Club and pay rent for same. The St. George's Club is known in the city of Sherbrooke as a Tory organization. The minister says that he does not know what the St. George's Club is. I am surprised that he would come before this House of intelligent men and make such a statement. In the city of Sherbrooke, as the minister has explained, there are two large drill-halls built at a very large expense. After the St. George's Club was burned last fall, they rented the premises of Mrs. Worthington. I suppose they found it hard to keep up the expense and they asked the minister to help bear the expense. In that club they serve something besides cold water. The minister knows it and if he does not he should know it. Two years ago the minister was down in the city of Sherbrooke. Will he say he did not go to the St. George's Club?

Mr. HUGHES: I went to some club and had a luncheon; I do not know where it was.

Mr. TOBIN: And you know whether they served some whisky blanc there. I am surprised when the minister says he did not know that there was such a club. Now he has to admit it.

Mr. SAM. HUGHES: The hon. member has put words in my mouth that I did not use. I never heard of the St. George's in my life before to-night, and I never knew that liquor was sold in the club. I presume that, following the custom of clubs throughout Canada, liquor may be sold in it. I am not running the clubs, I am running the militia of Canada. When the officers rent a building I can assure the House that we look after it, and if there is any such condition of affairs, if the St. George's Club is using the quarters of the 53rd Regiment, inquiry will be made and action will be taken.

Mr. TOBIN: Will the minister say that they have not rooms enough in the two drill-halls in Sherbrooke for the accommodation of both battalions? Or is it just for a gentlemen's mess? We do not want that in the Eastern Townships. We are willing to spend a certain amount on the militia, but we are not willing to have the minister pay out money to have gentlemen's clubs. I am surprised. I understood the Minister of Militia to be working always for the interests of the militia and a lot of our young men in the Eastern Townships do not approve of such action as this.

Mr. McCREA: The minister says that Mrs. Worthington's property has been rented for offices for the 53rd. Is he aware that the upper flat in the Brooks block, which was rented by the department some time before Mrs. Worthington's property, would make splendid offices? That upper flat was used as the city hall of Sherbrooke up to within a couple of years ago, and answered the purpose very well. They had all the room they wanted. The minister would have us believe that Mrs. Worthington's property is used not for an officers' mess, but for offices where the men can transact their business.

Mr. SAM. HUGHES: I do not know what the Brooks block is. We have two apartments in the city of Sherbrooke. One is where the non-commissioned officers have their classes, and the other is for the officers. If the hon. member knows of any more buildings we have in Sherbrooke I would like to know it. I remember distinctly that these buildings were rented only temporarily.

Mr. BOIVIN: Until what time?

Mr. HUGHES: Until our other quarters are ready.

Mr. BOIVIN: When will that be?

Mr. HUGHES: During this year, I hope.

Mr. TOBIN: If liquor is sold there will you stop paying rent?

Mr. HUGHES: Not at all. I may as well tell the House that liquor is not used in camps of instruction. This is not a camp of instruction, but if I find the use of liquor, which was tolerated by my predecessors from time immemorial, being abused by the officers in any drill-hall they will quickly walk out of that building.

Mr. TOBIN: The minister knows that the St. George's club is in the same building.

Mr. HUGHES: I do not know anything about it.

Mr. TOBIN: I can vouch for it. One of the militia men told me that the St. George's club serves whisky, and all kinds of liquor. They have a good time there and I do not blame them, but I do not think it is right that the department should pay $100 a month rent for those rooms. Now that the minister knows that the St. George's club occupies part of that building I think he should see to it that the officers leave the building.

Mr. SAM. HUGHES: I have already assured the House that I know nothing whatever about any club, and the House may rest assured that if we find any liquor being used excessively or improperly in the buildings we pay rent for, it shall be stopped immediately; but in the first place I shall require some evidence, and at the present time I have no evidence of it whatever.

Mr. McCREA: Who rented this building, and who is it rented from?

Mr. HUGHES: The building was rented on petition of the officers I expect through Colonel Denison, the commanding officer. It was rented from Mrs. Worthington.

Mr. McCREA: Does the minister mean to tell me that Mrs. Worthington, who had already rented that property to the St. George's Club, who are now occupying the building, would rent it over again to the department without saying anything about it?

Mr. HUGHES: I know nothing about it further than that the building was asked for by our officers, and that Mrs. Worthington wrote a letter requesting the department to take the building. The building was rented in the ordinary regular way.

Mr. TOBIN: Did not the minister state some time ago that he had not only rented that building, but bought it from Mrs. Worthington?

Mr HUGHES: Never.

Mr. TOBIN: I am surprised at the minister saying that. He told some gentlemen who asked him about it the other day that his department had bought it. I have no objections to him buying it, but what I do object to is that the minister should allow his officers to remain in the same building as the St. George's Club, after he has been going up and down this country trying to catch votes from the temperance people by saying that he will not allow whisky to be sold in canteens. I think it is about time the minister should be shown up in his true colours. At two meetings I attended in the Eastern Townships, I heard the hon. minister's friends making a point of that, and trying to catch the votes of the temperance people. The minister surely remembers going to Sherbrooke in 1912, during the provincial election campaign, and promising some of the electors that he would build a drill-hall there if they would elect his friend. The people, however, elected a good Liberal, and the minister's friend was defeated. The minister went to the St. George's Club then, and he knows that they are serving not only white whisky, but different kinds of wine.

Mr. HUGHES: If the hon. member means to say that I visited Srerbrooke in connection with a provincial election, he is stating what is deliberately untrue. Does the hon. member mean to say that I took part in that provincial election? If he does, he is stating something for which there is absolutely no foundation.

Mr. TOBIN: Do you want me to answer that question?

Mr. HUGHES: Moreover, I never saw liquor at any club in Sherbrooke. I had dinner at a club there one day—I do not know whether it was the St. George's club or not—but there was no liquor used in my presence on that occasion.

Mr. TOBIN: We had a provincial election in the province of Quebec in May, 1912, and shortly before that election the hon. minister visited Sherbrooke. He promised them almost everything if they would elect his friend. I do not know if he came down purposely to take part in the provincial election, but he was there and made those promises at that time. He went to St. George's club, and then he stated to-night that he did not know what St. George's club was. I do not want to insinuate that the minister took too much whisky blanc, but I know they had some there, and he knows it, too.

Mr. SAM. HUGHES: I was not there at night.

Mr. CROMWELL: I would like to throw some light on St. George's club. I do not think the hon. member for Richmond and Wolfe (Mr. Tobin) has any right to throw slurs on the members of St. George's club. They are just as respectable people as exist in the eastern townships. There are in almost every club, for the use of its members, wines and liquors, and every member of this House knows it; but there is no liquor in St. George's club for distribution or for sale, or for any visitors to go in and partake of unless it is at the invitation of a member of the club. The house that was owned by Mrs. Worthington has been rented by St. George's club since the time of the burning down of the St. George's club house. As far as I know, it is still occupied, or partially occupied, by St. George's club. I think they intend to use it for the officers of the 53rd. I repeat that the members of St. George's club are as respectable a body of people as live in the Eastern Townships.

Mr. TOBIN: I have not said that the members of St. George's club are not respectable. I can tell my hon. friend from Compton (Mr. Cromwell) that I was a member of that club for about ten years, and that I resigned last January. I knew what they served there, and it is a respectable place to go to. But when we have a

Minister of Militia who goes from one end of the country to the other preaching temperance, receiving telegrams of congratulation, addressing the temperance ladies throughout the Dominion, and having him pass resolutions commending him for his pronounced determination to stop the sale of wines and liquors in the canteens at the summer drill camps, when he goes down to the city of Sherbrooke and leases as officers' quarters this club in which they serve all kinds of wines and liquors, and when he comes back here and says he does not know anything about St. George's club, I think it is about time that the people should know it. He is sailing under false colors. I have no objection to a man taking a drink of whisky. The hon. member for Compton cannot say that St. George's club is not known to be a pretty good Tory organization. That is why I resigned from it.

Mr. HUGHES: It is not worth while pursuing the matter any further. I do not mean to say that the hon. gentleman (Mr. Tobin) is deliberately making a statement that he knows to be untrue, but he states what is absolutely without foundation when he says that I was at this club and saw liquor used there. Even if such were the case, it would not be my place, when I was a guest at a public institution, to interfere. I have nothing to do with St. George's club, I never heard of it and was never associated with it. We have rented a building for the officers, but St. George's club has nothing to do with it that I am aware of and if it is found that there are any civilians using that club all I can say is that they will very soon cease using it.

Mr. TOBIN: The hon. member for Compton, imagining the minister to be very innocent, must have rented the building for the minister's department without telling him anything about St. George's club being there. I hope the minister will see to it that his officers move from the building.

Mr. CROMWELL: The hon. member for Richmond and Wolfe has stated that I must have rented the building occupied by St. George's club for the minister. If I had rented the building for the minister it would have been perfectly right, because I could rent a building as well as any man from the Eastern Townships. But I want to repudiate the insinuation of the hon. gentleman that the St. George's club was an institution which sold liquor. I have been in St. George's club a great many times and I have never seen such a thing take place there in my life. When I said that St. George's club was as respectable a club as was to be found in tre Eastern Townships I was speaking of the present time; I was not going back to the resignation of any member of the club.

Mr. TOBIN: If the hon. gentleman says that he did not know that they served any liquor at that club, he was not there at the time.

Mr. HUGHES: It is the custom of clubs all over Canada to sell liquor. The leader of the Liberal Opposition in Ontario, who, I believe, is a distinguished temperance man for political purposes, is a member of the Ontario club, which sells liquor.

Mr. J. D. REID: President of it.

Mr. PARDEE: The minister has just referred to the leader of the Opposition in the province of Ontario. True it is he belongs to the Ontario club where liquor is sold but I do not believe that even the minister will stand in his place and say that Mr. Rowell is anything but a most consistent temperance man.

9 p.m. Some hon. MEMBERS: Oh, oh.

Mr. PARDEE. Hon. gentlemen may say 'oh, oh,' but there is no one who can say that N. W. Rowell is not a most consistent temperance man or one who does not live up to the tenets that he preaches to a degree that perhaps no other man in public life in Canada does to-day. The Minister of Militia has opened up a discussion here upon the militia question in Canada. And he has opened it very widely. He has asked us to come and we are here. He has given us a statement as to how the militia expenditure has been carried on since 1911. I think that hon. members on both sides of the House will agree that from the beginning to the end of the minister's remarks they breathe nothing but militancy. It was fight from the beginning, it was fight to the end. You would have thought that the people of Canada were an absolutely warlike people looking for war and trouble instead of devoting themselves to the arts of peace. There was nothing about beating the sword into the ploughshare with the Minister of Militia. With him it was to sharpen the sword on the grindstone and to find a head to cut off and let it fall into the basket. His attitude was: where is the man who will knock that chip off my shoulder and let Canada and the empire go for him! The minister has several times devoured

Germany almost before breakfast. The latest thing to which he has turned his attention and that of the Militia Department is the eating up of Ireland and all those who do not believe in her cause. Ever since the year 1911, when the Conservative party came into power and when the hon. minister took over the management of the Militia Department—and I say it in all honesty and sincerity—the Minister of Militia has not been as hoping to build up a militia which may be and which ought to be useful; he has been simply building up a militia which may be called out for war at any minute. His idea is absolutely wrong and it is not a good idea for the young people of Canada to grow up with. I am in favour of the militia; but a minister, who is in charge of the Militia Department of the Dominion of Canada, and who is building up a militia day in and day out along the lines that perhaps to-morrow we shall be at war with somebody, has not got the right idea in mind and is imbuing the spirit of war into the souls of the people of this Dominion. There is no question about the necessity of a militia; but why we should expend on militia the enormous sums that we are expending to-day, is more than I can understand. Canada is a young and growing country, and we need the $14,000,000 that the minister purposes spending upon militia in the year 1914-5 more for the development of this country than for the purposes to which the Minister of Militia intends putting it.

I would like to give a few figures to the House to show how much has been spent upon the militia since 1911. The hon. Minister of Militia practically stated this afternoon that the people of Canada were quite willing to be taxed for militia expenditures and to be taxed liberally. I take absolute issue with him upon that point. The people of Canada are perfectly willing and satisfied that they should be taxed to a moderate degree in so far as militia expenditures are concerned; but I believe the people have shown that they are not content that they should be taxed to the extent that the Minister of Militia is taxing them to-day. The hon. minister this afternoon compared the expenditures of his predecessor, Sir Frederick Borden, with his own expenditures since 1911. I was unable to follow his argument. Perhaps it was due to my own denseness, but by some subtle jugglery of figures he showed that there was a difference of only $4,000,000 between himself and his predecessor.

Mr. HUGHES: In my favour.

Mr. PARDEE: Let us see whether that statement holds good. I have a list of the expenditures upon the militia from 1896 to 1911. During that period the total expenditure by the Liberal Government was $63,134,120.

Mr. WARNOCK: What was the expenditure in 1896?

Mr. PARDEE: $2,478,179. The total expenditure in 1911, the last year of Liberal rule, was $7,009,822, and the total expenditure under the Liberal rule from 1896 to 1911, fifteen years, was $63,134,120, the total expenditure of the hon. Minister of Militia under this Conservative Government from 1911 to the year 1914, three years, was $43,102,987.

Mr. HUGHES: Is the hon. member counting 1910-1911 as the last year of the Liberal Administration, or is he counting that the Liberals are responsible for the expenditure in 1911-1912?

Mr. PARDEE: I am counting 1910-1911, and 1911 with $7,009,822, as the last year of Liberal expenditure. The figures for 1914-1915 are as follows:

Main Estimates	$10,845,400
Supplementary Estimates	339,975
Statutory pay to military members of Militia Council and Inspector General	21,000
Items in Public Works Estimates to be spent on drill halls, armouries, etc.	2,355,000
Total	$13,561,375

The hon. Minister of Militia says that his expenditure is $4,000,000 less than that of his predecessor. Although he will explain that perhaps to the satisfaction of hon. gentlemen on his own side of the House, he will not explain it to the satisfaction of hon. gentlemen on this side of the House or of the people of the Dominion of Canada, if the expenditure in 1910-1911 under the Liberal Administration was $7,009,822 and in 1914-1915 under the Conservative Administration, $13,561,375.

Mr. CURRIE: The hon. gentleman, in stating the expenditure of the preceding regime, omitted to note the fact that all the drill-halls and public buildings in connection with the militia were charged to public works.

Mr. MACDONALD: So they are now.

Mr. PARDEE: So they are now. I am including them in the statement I have

made of $2,355,000. You cannot get away from it; it is there in the Public Accounts, it is there in the Estimates. I have given correctly the amount that is being expended for militia in the Dominion of Canada to-day and it represents $2 a head. The minister comes and tells us—it is a pretty story and reads almost like a poem —that he is establishing drill-halls everywhere, and concerning every public expenditure from 1896 down to the present time, whether for the Grand Trunk Pacific or anything else, the minister sees in that expenditure what was purchased or accomplished but the number of drill-halls that might have been constructed with the money. His mind is obsessed with drill-halls; it is absolutely taken up with soldiers and drill. He can go no further and see no further. He does not seem to realize that what the people want is a fair expenditure for militia, but what they want still more is to have the revenues of this Dominion used for the development of our latent resources and not for the promotion of a warlike spirit. The Minister of Militia wholly mistakes the temper and idea of the people of Canada if he continues on the same line he has been following since 1911. Why, let us look where these sums for drill-halls have been expended. He has spent in the province of Ontario alone upon drill-halls $1,154,800, and he has put them in the following places: Kincardine, Mount Forest, Wingham, Watford—small places ranging from two to six thousand people. These drill-halls he put up, he tells us, that the young men might meet at night to receive physical instruction, that they might receive education along the lines of drill; and above all, as we may judge from what we know of this chivalrous Minister of Militia, that they may meet the young ladies and see that a good time is had during the evening. But take the whole list, and you will find that with the exception of two places in the province of Ontario, these drill halls for the culture of the youth and beauty—as the minister put it—of the province, had been established where Tory candidates were returned in 1911. As to the rest of the places, why, the young people may grow up stunted, untrained, undrilled, but the minister's answer is: You returned a Grit candidate and are without the pale.

Mr. HUGHES: If I may be permitted a question, would the hon. gentleman name a riding in Ontario represented by a Grit where a drill hall could be put?

Mr. PARDEE: Sarnia. The site has been bought and paid for; it is lying there,—but a Grit was returned and so the minister will not build the drill hall. That is as near home as I know, and the minister can take what comfort out of it he may; it is a shining example of a Grit representative and no armoury.

Mr. HUGHES: May I ask another question?

Mr. PARDEE: Certainly.

Mr. HUGHES: Would he undertake to draw for this House, or have some one else draw, a plan for the site at Sarnia? It is like a pismire, narrow in the middle and large at either end, fronting on two streets.

Mr. PARDEE: It may be, but if you are to take that description of it politically, it remarkably resembles himself. He asked for an example, and I have given him one. And so you have it all along the line—for the Grits nothing, for the Tories culture and drill halls. I do not know how it is in British Columbia; one would naturally suppose there must be a drill hall there on every side line. However that may be, certain it is that it is absolutely true that the minister stands here to-day and justifies his huge expenditure on drill halls since 1911 by telling us that he wishes the youth of this country to be brought up in a proper way, to receive physical drill, mental drill, and moral drill—

Mr. NESBITT: And spiritual drill.

Mr. PARDEE: Yes, so he said, and I am indebted to my hon. friend for that word. But the cold fact remains, and he cannot get away from it, that though he preaches this lofty doctrine, he practises it only so far as ridings that have returned Tories are concerned. It is a lovely sight, this man of beautiful ideals whose spirit soars above the clouds when he thinks out these Utopian plans. We cannot but feel that if long ago he had been allowed to come into this mundane sphere and arrange for the culture of the young people—especially during the last fifteen years—he would have so greatly affected the career of the Dominion. Yet he only spends the public money where his henchmen are true to his party.

Mr. GERALD V. WHITE: What about the drill-hall in South Renfrew.

Mr. PARDEE: I said there were two exceptions. My hon. friend evidently does not know his own county.

Mr. WHITE: I know it better than the hon. gentleman does.

Mr. PARDEE: I have had some experience of it, and the hon. gentleman was not in the running. I believe the minister said in the course of his remarks this afternoon that about 73,000 men belonged to the militia of the Dominion of Canada.

Mr. SAM. HUGHES: There are 77,000 regular militia, not counting cadets.

Mr. PARDEE. I understood the hon. minister to say 73,000. The Minister of Militia has a force of 73,000 men, some of them, I take it, volunteers, few of them on the permanent force and many of them honorary colonels. With a permanent force of about 73,000 men and the remainder volunteers, who are called out annually to drill, and who, I understand, are no expense to the country except during the time of that annual drill, it appears to me, and to many people in the Dominon with whom I have discussed this matter, to be an extraordinary thing that the headquarters staff and the expenses of its upkeep should assume such tremendous proportions. Expenditures upon the headquarters staff of the militia to March 31, 1913, amounted to $103,309.37 and this year the hon. Minister of Militia is asking for $205,000. To expend upon this staff, most of whom, I take it, live in the city of Ottawa, some in Toronto, some in London, and some in the northern divisions, that large sum for the supervision of 70,000 volunteers and 3,000 regulars; to expend that money in salaries and gold lace is nothing more or less than an unwarranted taxation of the people of Canada. Here are some of the salaries; I shall read only a few of them:

Major General C. C. Mackenzie, Chief of General Staff, $7,500; Major General Macdonald, $4,000; Majer General Lessard, $3,000; Colonel Williams, $3,000; Colonel Rutherford, $4,000; Colonel Biggar, $3,500.

These amounts, together with expenditures for travelling expenses and upkeep of the general headquarters staff, run up to an enormous total. It would seem to me that that expenditure is wholly unwarranted.

Mr. W. H. BENNETT: What has the increase been since 1911?

Mr. PARDEE: I do not know. Let me say in conclusion that, having regard to the militia expenditures and to the whole facts of the matter, it is apparent, as I said in a speech not long ago, that the present Minister of Militia has gone more or less military mad. He is absolutely obsessed with militarism; it is his one thought and aim from the time he gets up in the morning until he goes to bed at night. I am wholly in favour of a militia; I believe that the young men of our country should be properly taught, but I am absolutely opposed to a militia which is not commensurate with the needs of the country in every respect. I do believe that if the minister is well advised he will follow in the footsteps of his predecessor; he will dispel from his mind the idea that we should continually prepare for war with an absolutely unseen foe. If he is well advised he will devote the resources of this country more to the arts of peace than to the arts of war and thereby bring credit to himself and vastly more satisfaction to the people of the Dominion of Canada.

Mr. CARVELL: Can the minister now give me the information he promised me this afternoon with regard to the length of time the officers remained in Europe in the years 1907, 1908 and 1909 and 1910?

Mr. HUGHES: In some cases they spent two or three months of the year, sometimes longer.

Mr. CARVELL: Would the average for the years mentioned be six or eight months?

Mr. HUGHES: I should imagine that would be the average.

Mr. CARVELL: As I understand it, they were taking a staff course.

Mr. HUGHES: Some were taking the staff course, some minor courses.

Mr. CARVELL: Does my hon. friend consider there is any fair comparison between men who seriously go to a college or institution of knowledge to become proficient in their profession, which we must assume was the object of their going in previous years, and the exhibition which the Canadian officers made last year in junketting through Europe with a lot of ladies in automobiles? My hon. friend comes to this House and wants to make the people of this country believe that because they did not spend as much money last year as during a number of previous years, they should be commended. I tell my hon.

friend, following up the line of argument advanced by the hon. member for Lambton, while I do object to the expenditure of this enormous amount of money I object even more strongly to the manner in which it is being expended. When I think of the Minister of Militia of Canada, a man who ought to set an example to the rest of the people of Canada, going through Europe as he went last year, even as shown by the return brought down here—and I imagine we have only a little of the story—every Canadian ought to blush with shame to think of such a thing. He takes twenty or twenty-one officers. He says they are members of the ordinary active militia. They went to Europe. I do not know how long they stayed in England but they went to France and they had the automobiles from the 2nd of September until the middle of October.

Mr. LEMIEUX: How much per day?

Mr. CARVELL: I find from the return that they paid altogether some $7,000 or $8,000 for these automobiles. Just think of it, a lot of Canadian officers going over there and travelling all over Europe with a fleet of automobiles at an expenditure of $7,000 or $8,000! My hon. friend says they saw the manoeuvres and learned so much about the art of war. My hon. friend does not believe that; he knows they did not learn anything about the art of war. He knows it was only a lot of his Tory officers and friends whom he took over there to have a good time, and the people of this country are paying the bill. I am not justifying the amounts of money spent in previous years; I think too much has been expended on the militia in previous years, and I have tried to make that plain every time I have spoken in this House. I do not altogether justify it. I think if $35,000 or $40,000 was spent in sending officers to the other side, the money might have been nearly wasted but they were at least attempting to do something. When my hon. friend went to Europe last year with his friends they were not attempting to do anything except to have a good time. My hon. friend says it cost $24,000. As I figure from the return it cost nearly $35,000. There is an expenditure of $24,262 given in the return; but in addition to that the officers were paid, according to their rank, practically $4,000, and they had $10 a day each for allowance. That brings it up to $34,000 or $35,000.

Mr. HUGHES: Those items are included in the $24,000.

[Mr. Carvell.]

Mr. CARVELL: I am glad to know that. The way the question was answered, one would be led to believe that these items were in addition to the $24,000. Now, what earthly military knowledge could my hon. friend and his political friends obtain in scooting from France to Switzerland, from Switzerland to Germany, from Germany to Belgium, and from Belgium back to France with a lot of automobiles and having a glorious good time? What earthly military knowledge could they gain in a series of excursions like that?

Mr. BLAIN: My hon. friend has twice repeated that these officers were political friends of the Minister of Militia. My hon. friend has forgotten that the minister stated this afternoon that there were more Liberals than Conservatives in the party.

Mr. CARVELL: I did not hear the minister make that statement.

Mr. BLAIN: He did make that statement.

Mr. CARVELL: I think my hon. friend must be in error.

Mr. BLAIN: I am not in error. The minister made the statement this afternoon that there was a majority of Liberals in the company that went to the old country last year.

Mr. CARVELL: I shall ask the minister.

Mr. GERMAN: Perhaps the minister might explain what military advantage was gained by the expenditure of $24,000.

Mr. HUGHES: I never inquired into the politics of the members of the party. I knew that Colonel McLeod was a Tory, and Dave Watson of Quebec. I have been informed that there were one more Liberals than Tories. I am very sorry; I should have had more Tories—but they were good fellows.

Mr. CARVELL: I was right, the hon. member did not say that before.

Mr. BLAIN: He said it this afternoon. It was on the strength of his statement that I corrected my hon. friend.

Mr. CARVELL: My hon. friend also says that he never inquired into their politics. He told about one gentleman from Halifax who had taken an active part against the Premier at the polls. I assume in that case he must have been a Liberal. He brought the officer up here and gave him a lecture and told him to go back home and be good and then took him on this trip. My hon. friend wants the people to believe that these officers have received

some military training, that they have learned something about the art of war. My hon. friend does not believe that. There is not a man sitting behind him who believes that. The officers who went there would not, on their honour, state that they believed it, because they know better. No matter who they may be they know that they simply went over there and had a good time at the country's expense. I was amused not long ago when the Minister of Trade and Commerce, a gentleman whom I think would like to administer the affairs of the country on an economical basis, was discussing subsidies to the steamship lines. There were two little steamship lines running out of Pictou, one I think to Cape Breton and one to Antigonish, the subsidies coming to $3,000 or $4,000 altogether. The minister thought he could save $1,000 of this and amalgamated them. It was pointed out that it was a mistake and caused all sorts of trouble and the minister admitted it, he said the darn thing had given him more trouble than anything he had ever had to deal with. I thought then that he should have handed it over to the Minister of Militia who does not economize on a few thousand dollars, but talks in hundreds of thousands of dollars. He sizes up everything in the way of expenditure by drill-halls and tens of thousands of dollars. The hon. member for Lambton has pointed out that the minister had gone militia mad I think his own friends will admit that; it has become a mania with the hon. gentleman. If we can believe what he tells us this afternoon he is willing to spend half the revenue of Canada on the militia if we will give him the money to expend. He sees the force of our criticism. He has been getting hauled over the coals by his own friends or he would not have made the speech he did to-day, because his whole speech was a justification for his expenditure. He went through some jugglery of figures to try to show that he did not spend as much as the former minister. I could not follow him, probably that is my misfortune. There is no doubt that the minister's statement was plain, but I am satisfied that no member of this House understood him any more than my hon. friend from Lambton and I could. Does the Minister of Militia think that he can convince any reasonable elector in the Dominion of Canada that he has spent $4,000,000 less in the last year than his predecessor did on the militia? That is what he says. He does not believe it, he knows it is not true. He knows that from the public accounts he will find that in the year 1911, $6,868,000 was expended on the militia and in 1913 they spent $9,114,533, and this year, outside of his drill-halls which are being paid for by the public Works Department, he is asking for $10,867,000; and he hopes that some man in the country will be fool enough to believe him when he makes the statement that in 1911-12 he spent $4,000,000 less than his predecessor. This is only a sample of the kind of argument my hon. friend puts up, and which he is compelled to put up in order to satisfy the grumblings of the people behind him; because, if the truth were known, members on the Government side of the House are just as much disgusted as gentlemen on this side. If this money was being honestly expended for the benefit of the people it would not be so bad. My hon. friend said this afternoon that no money gets back into the pockets of the people so quickly as money spent on the militia. That is true as regards money that goes to the real militia, but my hon. friend took care not to tell us just how much goes to the real militia. Just look at his Estimates. He only wants $2,000,000 for annual drill; that is for the real men; the 74,000 in the active militia, and he is spending nearly $14,000,000 altogether. It is true he is spending $2,300,000 for the permanent force, but so far as the active militia is concerned he is only asking for $2,000,000. In addition to that there is something for clothing—an item of $800,600; that would include both the permanent and the active forces. Then there is something for contingencies. The difficulty with my hon. friend is that he has a permanent staff big enough for an army of half a million men. That is the whole trouble. Two hundred and five thousand dollars goes on fuss and feathers, for a lot of men living on the country who are not earning a dollar, and not contributing a dollar to the wealth of the country; men who are getting salaries which would be princely in any other walk of life. I want to tell my hon. friend that he had better set the whole lot of these gentlemen to earning their own living. He has to have a certain number of officials, I admit, but to spend $205,000 to keep officers, who do nothing, in gold lace, is absurd. The money would be far better expended in the ordinary walks of peace. Take here at Ottawa: $89,000, according to the statement placed in our hands, is to be spent on the permanent staff in Ottawa alone. When you go down on Slater street you would almost think that we were in the midst of an active campaign. About every other man you

see is going around with brass buttons and gold lace. Do you think, Mr. Chairman, that in a country where we have the ordinary civil officers there is any need of these men going around in uniform? It is no wonder the minister laughs, he is ashamed of it himself?

Mr. HAZEN: Can the hon. member tell the House whether this permanent staff is any larger to-day than when the present minister took office?

Mr. CARVELL: I do not know how much larger it is, but I want to tell the Minister of Marine and Fisheries that I am not excusing the former minister. I have said that here a good many times. The permanent staff of this country is a disgrace to Canada, and they have so many of these officers that they cannot even do the business of the country. I know what I am talking about. Unfortunately I have a little business to do with the Department of Militia. A company of which I am a director has to render a bill to these gentlemen once a month. It is only a small amount, about $8 or $10, but the moment a dispute arises we always figure on firing the whole thing away because the account would cost more to collect than it is worth. It takes two or three months to get a little $5 account settled, and the reason is this: They have so many of these officers that they have to provide something for them to do. The moment any business comes in it has to go through the whole machinery; it goes through half a dozen officers' hands and through half a dozen different offices. It goes from Woodstock to Fredericton, and from Fredericton to Halifax, and from there to Ottawa, and the Lord knows where after that; and it is weeks and months before you get the thing back. This has to be done in order to justify the existence of these gentlemen. If they were not given something to do there would be trouble. Just let me give an illustration of how they provide work for these officials. This is something that took place at the headquarters staff on Slater street. Not very long ago a gentleman wrote a very polite note to the department asking for a map or plan of some kind. Without giving names, I have here the exact transcript of the thing as it came back:

Letter passed through five stages.

1. Letter received in department and noted.
2. Letter endorsed thus:
'D.G.F.S.—For action'
and then passed on.
3. Letter next endorsed thus:
'A.D.M.S.—For action please—G.E.M.' D.G.F.S.
and again passed on.
4. Letter next endorsed thus:
'D.G.E.S.—Sent to-day—
'M. Anderson, Major Assistant,
Director of Military Surveys.'
and once more passed on.
5. Letter next endorsed thus:
'To note Min. 4.'
'G. S. Maunsell, Lt.-Col. R. E. D.G.E.S.'
and then returned with the map.

Mr. EMMERSON: Have you a key to the abbreviations?

Mr. CARVELL: No.

Mr. CURRIE: Does the hon. gentleman say what the correspondent was asking for?

Mr. CARVELL: A map.

Mr. CURRIE: It is the rule to refuse to give military plans to any person.

Mr. CARVELL: My hon. friend can talk after a little while. This gentleman was not asking for any secrets; he was not a traitor or a rebel; he was not trying to get into the secrets of the department; he was a loyal member of Parliament, who is sitting not more than a hundred feet away from where I stand.

Mr. EMMERSON: Was he a Nationalist?

Mr. CARVELL: No.

Mr. CURRIE: I happen to be an officer of the militia and a commanding officer. If any maps are issued to me, for any reason, I have to return them to the department immediately they are done with. I think that is a very good thing. Topographical maps of this country, plans of fortresses—

Mr. CARVELL: I object to my hon. friend making a speech. He need not get excited; he will have a chance later on. I did not say that this man was asking for a topographical map or for a plan of a fortress; it was only a little bit of a blue print, something which he had a perfect right to get, and the fact that he got it is the best evidence that it was all right. The minister's officers would not have given it to him if it had not been all right.

Mr. LEMIEUX: The fortress was taken.

Mr. CARVELL: No, it was protected. The man got the map all right, but, instead

of getting it by the next mail, as in the case of any ordinary business concern, he had to wait till the letter had travelled around this circuitous route. It had to pass through all these officers' hands to justify their existence. If these letters were answered like the Minister of Railways, or the Minister of the Interior, or any other minister of this Government would answer them, four out of every five of these gold-laced chaps down there would have to be dismissed. These gentlemen are kept down there for the glorification of the minister. If the minister had only two or three officials down on Slater street, there would be no officer there to salute him when he went down there in the morning, and it would not be necessary for members of Parliament to get a pass in order to go down there to do business. It would be an ordinary business transaction

Mr. CURRIE: Has my hon. friend—

Mr. CARVELL: Now, what is the trouble again?

Mr. CURRIE: I would like the hon. gentleman to be fair. I would like to ask him if there has been any addition to the number of officers on the headquarters' staff since the present minister took charge of the department?

Mr. CARVELL: I answered that question.

Mr. CURRIE: Another question: Who initiated the pass system that the hon. gentleman speaks so much about?

Mr. CARVELL: I answered that question once before. I say that there has been an increase in the number of officers—I cannot tell how many—but there was an increase of eight or nine according to the statement, I think, last year. I am admitting that the former minister was guilty, not as guilty as the present minister, because it would be almost an impossibility to find a man in Canada who was quite as crazy on military matters as the present minister. I know that the hon. member for North Simcoe is looking for his shoes and if the conditions were changed and the hon. member for North Simcoe was in the present minister's place I do not think he would be hardly as bad as the present minister. I presume that is the reason why he has not been taken in; he does not fit in with the conditions. It would be a pretty serious matter to get rid of a lot of these gold lace gentlemen.

Mr. CURRIE: Now, just a minute; I would like to enlighten the hon. gentleman on that point. When the other Government was in office I was a member of this House, an officer of the militia—

Mr. CARVELL: Now, Mr. Chairman.

Some hon. MEMBERS. Order, order.

Mr. CURRIE: I can—

Some hon. MEMBERS: Order, order.

The CHAIRMAN: Order.

Mr. CURRIE: Oh, I am not—

Some hon. MEMBERS: Order, order.

The CHAIRMAN: If the hon. gentleman (Mr. Carvell) objects he cannot be interrupted.

Mr. CURRIE: He does not object.

An hon. MEMBER: He does, sit down.

Mr. CURRIE: After I have made my statement—

The CHAIRMAN: If the hon. member (Mr. Carvell) objects—

Mr. CURRIE: Well, I presume—

Some hon. MEMBERS: Order, order.

Mr. CARVELL: My hon. friend (Mr. Currie) asked me a question and I answered him as best I knew how. If my hon. friend wants to ask another question I am willing to give him an opportunity but I do not intend to allow my hon. friend to make a speech until I am through.

Mr. CURRIE: I presume the hon. gentleman desires to be fair?

10 p.m. Mr. CARVELL: Certainly.

Mr. CURRIE: During the regime of the previous Government I sat for an hour and a half outside an official's door down in the Militia Department and could not get in. Would the hon. gentleman consider that fair treatment?

Mr. CARVELL: That is a fair question and if my hon. friend was compelled to sit an hour and a half I do not think he was properly treated.

Mr. CURRIE: Has the present minister ever done that to you?

Mr. CARVELL: He has not done that with me because I have only been down

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there but once since he was minister and when I was there I found a whole regiment of officials around. I found the department bristling with brass buttons. Officials were standing every five or six feet apart from the time I went into the building until I got out of it.

Mr. LEMIEUX: Did they salute?

Mr. CARVELL: No, and they did not ask me for a pass; they let me go in. If my hon. friend has been held up by officials during the present Administration I am sorry for him. But I seem to have disturbed my hon. friend. Possibly I have called up unpleasant thoughts to him; I am sorry for having done so. I did not intend to say anything personal. He is young in the world yet. It is true that he is a full fledged colonel, he is getting along very well and he probably may get to be Minister of Militia some day. He has yet twenty-five years ahead of him, he will have obtained a little more information and I believe that if he does reach this high position he will not be as bad as the present Minister of Militia because I think that is almost impossible.

I have tried to point out to the minister the way they are running things on this headquarters' staff. Let us go down to the provinces. Go down, for instance, to the little province of New Brunswick. You will find a lot of this outfit around Fredericton. I do not know how many there are there. You will see them on the streets, they have great big barracks, and when you go to Halifax you find them more numerous and the barracks much bigger. They have all these expensive men just simply to sign things like this: 'for action—place—D.G.M.,' and so on. That is all they are doing. One good clerk at a salary of $1,000 a year in New Brunswick—and he would not be employed all his time—and two men at Halifax could do the whole business. No matter how little the thing may be that you want done, you have to have a man sent down all the way to Halifax to do it. This applies to the most trifling little thing you could imagine. Not long ago I spoke to the minister about a piece of property in my own town. There was no question about it, they had the deed of the property, and the thing was perfectly plain. I wanted him to give me some information about it, and he said: I will have to send my engineer officer down there. The result was that the engineer officer was sent all the way from Ottawa to Woodstock with nothing in the world for him to do that I could see, because they had had three or four sets of officers doing the same thing, and I suppose it cost $100 to get this gentleman down there. That is going on all over the country. These are things that the people are getting tired of. If they had been spending this money on the militia, if the men and the boys, as the minister calls them, who go out and drill, were the ones to get some of this money the people would not have so much fault to find, but when you have one string of officers after another string of officers travelling around the country and squandering money the people most decidedly object. Not only do you pay the headquarters' staff $205,000, but you pay something like $100,000 for travel and transportation.

Mr. EMMERSON: $200,000 for transport.

Mr. CARVELL: No, that is the transport of the militia generally, but there is something for the transport of this headquarters' staff as well. I see here that there is a charge of $30,000 for the travelling expenses of the headquarters' and district staffs. Add that to $205,000, and you have $235,000, in addition to which there are some thousands of dollars of contingencies. I suppose you will have close upon $300,000 as the amount which is being used up by a lot of these men, not one of whom earns really a thousand dollars a year. I know that I am not making myself popular with these gentlemen in talking in this way, but I am telling the minister the truth. I am trying to tell him how the people look upon it, and if he thinks he is going to make himself and the Government popular, and that they will be pleased by such figures as were recited here this afternoon, he is very much mistaken. I congratulate the minister on the fact that he has sobered down a little this evening, and that he has given this matter a little more serious thought than I have ever seen him give it before.

The minister stated this afternoon that one of the objects of this organization was to teach men how to shoot. I agree that that is a laudable object. If he is going to have a militia force that is to be of any earthly use he must have one composed of men who are able to handle a rifle or a big gun or a piece of artillery. But it is simply pitiable when you consider the amount of money that is being expended on the really necessary portion of the militia. If you

take the rifle associations of the Dominion of Canada, organizations which really try to do something to carry out the excuse for the existence of the militia, you will find in the summary under grants to associations and bands, the magnificient sum of $80,900. That includes all the little associations throughout the country. I presume that sum would include eight armouries or drill-halls?

Mr. HUGHES: Yes.

Mr. CARVELL: The hon. minister has allowed eight drill-halls per year for rifle shooting and things of that kind.

Mr. EMMERSON: A drill-hall is a unit.

Mr. CARVELL: Yes, a drill-hall is a unit of value. In my own province of New Brunswick, which is not large, there is an association to which I belonged and which had seventy or eighty members—I think I have seen over 100 members there. The Provincial Rifle Association of New Brunswick is getting the magnificient sum of $1,300 out of the $14,000,000 that the minister is spending on gold lace, frills, fuss and feathers.

Mr. CURRIE: There is ammunition in addition to that.

Mr. CARVELL: Yes, 200 rounds of ammunition.

Mr. CURRIE: If my hon. friend belonged to an association—

Mr. CARVELL: I have belonged to an association as long as my hon. friend has, and I know as much about it as he does.

Mr. HUGHES: Do you hope to be a colonel?

Mr. CARVELL: No, I have not any hopes, because I know that my hon. friend will never make me a colonel as a reward of merit; it will be only as a punishment. I find that the Provincial Rifle Association of Nova Scotia gets the magnificient sum of $1,600, and the whole Dominion of Canada recevies for bands and rifle associations only $80,900. The very thing that means something to the militia, the very thing for which the militia exists, is absolutely thrown to the winds and the money is squandered in the manner described by my hon. friend from West Lambton (Mr. Pardee) and by myself. If my hon. friend did not want his own glorification, but a real militia force, he would spend $800,000 instead of $80,000 for this purpose. It must be remembered that all the rifle associations are included in this; and if my hon. friend from North Simcoe (Mr. Currie) will look at the details, he will find that the Militia Department gives a rifle association thirty or forty dollars and expects it to exist on that. A staff colonel will spend twice that amount of money in making a trip that is not necessary.

My hon. friend has certain branches of the service which may just as well for all practical purposes be eliminated entirely. I am speaking now about the artillery and the engineers, and I have some practical knowledge in regard to these branches of the militia. Not only is the present artillery of Canada of no use, but it would be a menace in time of trouble because the officers are not properly trained. My hon. friend knows that modern artillery has no value whatever excepting in the hands of highly technically trained officers. He has battery after battery of field artillery and has not a qualified officer, let alone a technically trained one. My hon. friend is not doing anything to remedy this condition of affairs. When he speaks about sending instructors throughout the country, he knows that he has sent a few, but they are not doing anything. My hon. friend will tell us that his predecessor is liable for this condition of affairs but he is spending $4,000,000 on the artillery—

Mr. HUGHES: There are other armaments and equipment connected with that.

Mr. CARVELL: Then my statement was practically correct. If my hon. friend is going to add thirty or forty new batteries and make them of any service, he will have to spend three or four thousand dollars in educating officers. He is not doing it; he is not trying to do it. My hon. friend does not seem to appreciate the value of this at all. His sole idea is to have something for his own glorification, something for show and exhibition, but nothing in the world for real value. It would be a crime to send the artillery of this country into active service under present conditions. I am sorry to make this statement, because I was an officer of a battery of artillery, but I am telling the minister the honest truth. When I come to the engineers corps, I think they are in an even worse plight than is the artillery. These are technical branches of the service, and yet practically nothing is being done in order to make them any better than they were ten years ago. If the minister will take some of these mil-

lion dollars and spend the money intelligently, it will not be so bad, but the money is simply being squandered. Nevertheless the minister makes a speech of two hours and a half—

Mr. HUGHES: Two hours exactly.

Mr. CARVELL: And he thinks the whole thing a huge joke. He gets annoyed when a member asks him a question, becomes almost ungentlemanly in one instance when I asked him what I thought to be a reasonable and fair question. He apparently feels that all he has to do is to travel throughout the country in special trains; to spend $20,000 in going to the old country; to ask every man to take off his hat and hurrah for Colonel Hughes; to take the English officers who come out here, I think for no very good purpose, to Conservative picnics to have their photographs taken—I have a photograph here which I shall send to the minister if he wishes it.

Mr. EMMERSON: With the Borden Club?

Mr. CARVELL: Yes, the whole thing—the Prime Minister, General Hamilton and a lot more of these chaps at a Conservative picnic. The minister does not appreciate what it means to be a Minister of Militia.

Mr. MACDONALD: Were they against Home Rule at that picnic?

Mr. CARVELL: I do not know.

Mr. EMMERSON: It is a very appropriate aggregation.

Mr. CARVELL: Yes, especially for a minister who pretends to be a non-political Minister of Militia. The minister has three or four things to explain that he forgot to explain in his two hours' speech this afternoon. He tells us: Oh, I am spending this money to elevate the moral tone of the young men and women of this country; I am building drill-halls in order that the young men and women may meet there on Saturday afternoons and improve their manners and morals and even their religion. Well, Sir, the militia is a different kind of organization from what it was when I belonged to it if it helps anybody's morals, manners or religion. I have no son, but if I had, I should want to keep pretty close to him while he belonged to the militia of Canada, judging from past experience. It is true, the hobby of the minister just now is temperance. We have had that pretty well aired here this afternoon. He is going round preaching to the Women's Christian Temperance Union organization and telling them what a great temperance organizer he is and what good things he has done—no more liquor in the camps and all that kind of thing. He was at nearly all the camps last year, and he knows—or ought to know—that there was not a camp in Canada in which liquor did not flow like water—not an officers' mess in which there was not liquor galore. Take the case of Sussex, or take the case of Petawawa, I know officers who were at those camps, and I speak of them because I know something about them. If the minister says there was no liquor in those messes, then he is a greater innocent than I give him credit for being. Oh, no, he knows better. When he makes these statements, he is simply sailing under false colours. Why, we had an illustration here given by my hon. friend from Sherbrooke. The minister takes their building off the hands of a political club and pays the rent. They are running the club and selling the liquor—and as a club that is all right; I have no fault to find with it, for I know that there is probably not a club in Canada that has not the right to sell liquor. But the minister is paying the rent of this club, and the country, to that extent, is standing its expense, and they are selling the liquor. And then the minister will go to the Women's Christian Temperance Union organization and say: Look at me, the only real temperance Minister of Militia. I hope the minister will practise what he preaches. The greatest objection I have to the militia of Canada is that it is not a temperance organization but a 'boozorium.'

Mr. SAM. HUGHES: That is unparliamentary.

Mr. CARVELL: Why, I have heard the minister himself use it.

Mr. HUGHES: But I had to retract it.

Mr. CARVELL: But I am sure the minister does not want me to retract it, because he knows it is true. Now if he were honestly trying to keep liquor out of these camps he would be doing a wonderful thing. But he is not doing it. He holds out these drill halls as of great advantage to the country. I have one in my own town. It cost $30,000 or $32,000. It is big enough for the purpose for which it was designed—perhaps a little too big, but big enough. The minister ought to know, and I think

he does know, that instead of that being used for the moral and religious uplift of the people, it is not used for anything. Nobody is allowed to go there except members of the militia. They have their club, and the report is that it is not a strictly temperance organization. However, that is their affair. Not long ago they had a fight of nearly a year's duration before even the regimental band could get the right to use a room there. The hon. minister talks about people generally getting the use of these drill halls on Saturday afternoon and so on. Why, the drill hall is locked up. And if a Liberal were to show his nose there, I really believe he would be dynamited. The sign is practically up: Liberals keep out; this is our drill hall. The minister tells us there is no politics in this thing. In my town it is presided over by a strong Conservative—and I am not finding any fault with him. But all over the country these are run as part of the Tory machine. What is the use of the minister talking; the militia never was so much a political machine as it has come to be since the present minister began to preside over it. There is not a member within the sound of my voice on whatever side of the House he may sit, but knows that what I am saying is true—the militia is just one great Tory machine from Halifax to Vancouver. The only Liberals allowed are those of whom they are trying to make proselytes. Yet the minister travels around and declares that there is no politics in this thing.

Now, I have pointed out to the minister a few of the things to which I take very serious objection in the militia. And I know I am voicing the sentiments of many of those who sit behind him as well as of those on this side. The members who sit behind him are not in a position to tell him publicly what they think about it, but, fortunately, those on this side are not in that position. I say, Sir, that it is almost a disgrace that $14,000,000 a year of the public revenues of this country should be spent in militia matters. Who in the world are we going to fight with? Let us talk that over as a matter of business for one moment. Against whom are we arming? Why is it necessary to have three or four millions spent on artillery and to have 140,000 armed and trained men, which is the number the minister says he wants to have? He said he had something like 77,000 now, and he has another 70,000 ready, but has not the arms and equipment for them. It is a blessing for Canada that he has not the arms and equipment for these men. And, let me tell him he has not got 77,000 men in Canada ready to do service—he has not got 50,000. Many of the figures he has given have no better basis than his own vivid imagination. He himself has admitted that 25 per cent of his enlistment did not go to camp last year. He said this afternoon that they were 'relieved.' He knows very well that he could not get them to go to camp.

Mr. HUGHES: I do not know that.

Mr. CARVELL: Then, he ought to know. He will hardly find a rural corps in eastern Canada up to its strength, the reason being that they cannot get the men to enlist. And there is not a rural corps in Canada that does not take into camp men from forty-five to sixty-five years of age. They shave off their beards and give assumed names when the paymaster comes around. The minister knows that; he is not so innocent as not to know it. But even with all these tricks they cannot get up to their strength. It is true that the cavalry and artillery are nearly up to their strength. If a man has a horse, that horse brings pay and brings the man too. I can tell him that there are some corps where not a horse can get in unless it brings in a man also. And so they start recruiting horses and not men. The minister knows all these things, and yet he stands here and paints a glowing picture of the enthusiasm existing all over Canada for the militia service. He knows that they have to take into camp old men, as I have said. He knows that especially regarding the engineer corps—and I think that is the most useless of all. He knows that every year they have twenty-five or thirty-five horses a year that simply stand on the picket lines and do nothing but haul water and draw their $1.25 a day and forage. They would not be able to get one-half their enlistment if they did not take those horses along. My hon. friend painted a picture this afternoon which would seem to indicate that the people of the country are dying to go to war. My advice to the minister is to quit this nonsense. Instead of trying to raise a force of 140,000 or 150,000 men, let him cut it down to 35,000 or 40,000; let him give them officers who are of some value, especially in the technical branches of the service. Give the men regular and frequent target practice; give them not 200 but 1,000 rounds of ammunition. Give the artillery technical

officers and ample target practice. I admit that this would be expensive, but the artillery are of no use unless they are efficient. My hon. friend talks about having all these men ready to go out at a moment's notice in case of war. After all, what does twelve days in camp really mean? The man who goes to camp for twelve days has no more knowledge of the rudiments of war than he had twelve days before he went to camp. I have endeavoured to point out the sins of the omission and commission of my hon. friend the minister and I have endeavoured to portray the facts as they really exist. If I can bring my hon. friend down to earth and get him to view this matter along reasonable and rational lines, my words shall not have been in vain.

Mr. NESBITT: I wish to draw the attention of the minister to the fact that in the printed information he has sent out he says:

Compared with 1913-14, there is a decrease of $71,905.

Are there to be any further amounts in the Supplementary Estimates?

Mr. HUGHES: I hope so.

Mr. NESBITT: Is this statement which I have read, then, not a misrepresentation?

Mr. HUGHES: Not at all; these are the Main Estimates.

Mr. KYTE: A few days ago I put a question to the hon. minister respecting the Royal Canadian band taking part in a certain demonstration in the city of Halifax. The questions and the answers were as follows:

1. Who authorized the band of the Royal Canadian Regiment to take part in a demonstration in connection with a public meeting in the Province building, Halifax, on the evening of Wednesday, April 8, 1914?,

2. Who requested the services of the said band to take part in the demonstration?

3. Was any payment made for the services of said band, and by whom was payment made?

4. If payment has not been made, is there any charge made against any person in connection with such service?

Mr. Sam. Hughes:

1. The officer commanding the Royal Canadian Regiment, under the provisions of paragraph 875, K. R. & O. (Canada), 1910, as amended by H.Q. 35-1-5, of 7th March, 1914.

2. F. Pennington Bligh, Esq.

3. No.

4. A charge of $45 has been made against C. R. Hoben, Esq.

Is the hon. minister in a position to say whether or not that charge has been paid?

Mr. HUGHES: I have no information on the subject; it will be paid.

[Mr. Carvell.]

Mr. KYTE: I endeavoured also to call the attention of the hon. minister a few days ago to another incident in connection with the Royal Canadian Regiment band at Halifax, which only goes to show how true is the assertion of the hon. member for Carleton that the militia force of the province of Nova Scotia is becoming an adjunct of the Tory party. It is well known to people who read the newspapers in the province of Nova Scotia that a very serious libel was published upon the Legislature of that province by a newspaper in the city of Halifax. A special committee of the Legislature was appointed for the purpose of inquiring into this libel. One of the witnesses, having refused to answer a proper and legitimate question which was put to him, was ordered to be committed to the common jail of the city of Halifax for forty-eight hours. The moment he was committed to jail, the Royal Canadian band, acting under the instructions, I have no doubt, of the Tory mayor of the city of Halifax, came out in full regimentals for the purpose of serenading this man who was incarcerated for gross libel upon the Legislature of the province of Nova Scotia. My informant says:

Royal Canadian band in King's uniform, with soliders in uniform at their head, carrying Union Jack, paraded Saturday to serenade McCurdy imprisoned in county jail by warrant of Speaker for misbehaviour in refusing to answer questions asked by Committee of House of Assembly.

I endeavoured to ascertain from the minister the other day what authority was given to permit the band to commit this second offence upon the common decency of the people of the city of Halifax, but I was ruled out of order. As we have plenty of time to discuss the question now, I would like to ask the hon. Minister of Militia and Defence under what authority the band came out under the circumstances which I have related.

Mr. HUGHES: Information relating to this band was laid before the House in answer to a question asked by the hon. member himself, I think, yesterday or the day before. I received complaint about this terrible band a short time ago to the effect that they had actually turned out with the Hibernian Society, carrying a Union Jack with a bit of green ribbon tied around the flag pole over the flag. I now have another complaint that the band turned out to serenade some poor fellow who had been locked up in jail; about that I know nothing. There is no reason in the world why the band should not turn out if it is paid,

so long as the officer in command of the district, who is responsible for the band, inquires into the nature of the proceedings in which the band is to take part and gives it his authority to turn out. If my hon. friend holds a meeting in Halifax, I shall be delighted, provided he pays for their services, if the band turns out and plays for him or for any other decent person who comes along and engages them. I was delighted that they played for the Hibernians; I would be delighted if they would play on the 12th of July for the Orangemen, and if they place a bit of orange ribbon upon the flag pole I shall not raise any more objection to it than I did to the tying of a green ribbon to the flag pole on St. Patrick's day.

Mr. KYTE: The hon. Minister of Militia might well have enumerated other occasions on which objections were raised to regimental bands coming out on occasions if not of a public, of a quasi-public character. I remember an objection raised by the hon. Minister of Militia himself because soldiers marched on the occasion of a religious celebration held in the city of Montreal. When the hon. Minister of Militia enumerates the numerous objections that are made with regard to bands and regiments of soldiers participating in events which are not entirely of a public character, he should not forget that he several times raised objections in this House because certain regimental bands and troops in the city of Montreal were allowed to march under the circumstances which I have indicated.

Mr. HUGHES: I would like to correct the hon. member right there. I never objected to a band, but I do object, and shall object, to any regiment turning out with arms for any religious procession, I care not what it may be. That is against the law. They must not carry their rifles, that would be contrary to the rule the world over.

Mr. KYTE: I beg to inform the minister that not only did the band serenade McCurdy in jail the other night, but soldiers in uniform marched at the head of the band carrying the Union Jack, and assisted in the serenade of McCurdy in the jail; so evidently the instructions of the minister were not observed.

Mr. HUGHES: The man carrying the flag is part of the band and he must wear the uniform.

Mr. KYTE: I have no doubt there has been more flag flying and band playing since the minister took over the department than ever before. I repeat that the conduct of the band and those in command at Halifax is absolute proof that the militia in Halifax, as well as elsewhere, has become an adjunct of the Tory party.

Mr. HUGHES: The only official I have known to do any political work in Halifax was the officer whose case I cited to-day, who stood at the polls and tried to prevent officers and non-commissioned officers and men from voting for the right hon. gentleman who has the honour of being Prime Minister of Canada.

Mr. KYTE: I venture to say that notwithstanding the apparent fair mindedness with which the Minister of Militia and Defence is discussing this question, if the junior member for Halifax (Mr. Maclean) or I or any other member supporting the Liberal party required the services of the band in Halifax we could not have it.

Mr. HUGHS: Yes, you could.

Mr. KYTE: Or the price would be such as would make the use of the band absolutely impossible. No time would be given for payment, as apparently time has been given to the mayor of Halifax on an account that has not yet been paid, so far as the minister knows. Here is the language of the Minister of Militia and Defence in this House on the 25th November, 1910:

> I am opposed to any man wearing the uniform of the militia of this country turning out in honour of any representative of any organization that is not directly under the control or auspices of the State, whether it be clerical or anything else.

The hon. minister has changed his mind on that, as he has on other questions which are germane to what we are now discussing. I notice that the Minister of Militia visited Toronto the other night and gave an address to certain officers. I have here a press despatch which I assume contains a fairly correct report of his utterance. If it is not correct, of course he will put the committee in possession of the exact language he used:

> Toronto, May 2—At the annual dinner of the 48th Highlanders Sergeants' Mess, last night, the guest of honour was Colonel Sam. Hughes, Minister of Militia, who in replying to the toast of the Canadian Militia, spoke of the relatively high state of efficiency of which the militia of the country has attained, and declared his intention of continuing the policy so long as he remains Minister of Militia, of increasing that efficiency, so that Canada will always be in a position to guard against any danger of attack.
>
> In the course of his remarks Colonel Hughes declared that at the present time he is perpared

to place in the field, tomorrow, if necessary, a force of 60,000 men, capable of meeting any enemy, while throughout Canada, he states, there are 750,000 men ready to take the field at once, and this number he hopes will be doubled by next year.

The politicians who do not see eye to eye with Colonel Hughes on military matters came in for some condemnation when he remarked that he rather liked to have 'these yelping politicians' attack him and that their attack reminded him of a certain pup near Lindsay, Ont., who regularly used to meet the incoming train and bark at it. To stop to argue with these same politicians Colonel Hughes considered would be on a line with the action of the engineer of the said train if he were to stop it to shy coals at the dog.

Some hon. MEMBERS: Hear, hear.

Mr. KYTE: I did not know that the suggestion of dogs would have raised so many yelpers. The minister has not denied the language attributed to him and therefore—

Mr. HUGHES: I have not been asked to deny it.

Mr. KYTE: I did ask him whether or not the language attributed to him is correct.

Mr. HUGHES: There is an error. I said that the engineer would be very foolish to stop the train.

Mr. KYTE: Just for the same reason the people of this country would be very foolish to continue the services of the hon. minister, and they will not do so any longer than they can help. According to the admission of the Minister of Militia, every politician in this country, every paid representative of the people who raises his voice in favour of economy in the expenditure of the Department of Militia, is referred to as a yelping politician. That is the term that the Minister of Militia applies to them. I hope that this paragraph will sink down into the minds of the tax payers of this country. We have a condition existing in Canada such as has not existed for the last seventeen or eighteen years. All over Canada there is unemployment, there is a time of distress. People are organizing charity societies to raise funds to meet the conditions of the working men in many centres of population. Everybody admits that it is a time when economy ought to be practised. The Minister of Finance, a few days ago, in delivering his Budget to this House, pointed out the necessity for putting on the brakes and said that he intended, as Minister of Finance, to take into account the circumstance that this is not an opportune time to engage in any large expenditure. Every other service of the country is to be curtailed. I believe that every other minister in the Government except the Minister of Militia is disposed to take the same view of the financial situation as is taken by the Minister of Finance. But if the tax-payers of Canada suggest that the expenditure on militia is the most useless indulged in by any department of the Government, if the representatives of the people in Parliament should suggest to the minister that he ought to put the brakes upon his expenditures, the only answer is that they are yelping politicians and he compares them with his own pup in his own town of Lindsay. The Minister of Militia does not always take himself as seriously as he appears to take himself with regard to this particular matter. Last night, when we were discussing another subject pertaining to his department with reference to the payment of Fenian Raid bounties in Nova Scotia, my hon. friend from Carleton pointed out that a very large sum of money was being paid in Nova Scotia to men who had not actually gone to the front to fight the battles that threatened at that time, whereas, on the other hand, those who actually did go to the front were not receiving the bounty. The Minister of Militia and Defence, in the face of the fact well known to everybody from Nova Scotia, actually stated that no man in Nova Scotia was paid a dollar for Fenian Raid bounties unless he had gone to the front. I think it is time the people of this country realized that statements made by the Minister of Militia with respect to expenditures in his department should be taken, not with the usual grain of salt, but with a very considerable modicum of that article.

The hon. minister is determined, it appears, to expend ten per cent of the total revenue of this country in fuss and feathers, as my hon. friend from Carleton describes it. I remember that two years ago there was summoned from the four corners of this Dominion soldiers of more or less importance, in the military organization. The city of Ottawa had the appearance of a beleaguered camp for a whole week. One scarcely dared pass through the corridors of this House for fear of tumbling over burnished spurs or having a bayonet run through some vital part of his anatomy. That junketing expedition, brought about

for the glorification of the minister, cost the people of Canada a tidy sum. I did hear very loud complaints not only on the part of hon. gentlemen on this side of the House but from gentlemen on the Government benches as regards this absolutely useless expenditure. I was present at one of the meetings, and I saw the magnificent manner in which the whole thing was staged. The Minister of Militia in his very best suit of regimentals sat on a sort of raised throne. He had an orderly on one side and an orderly on the other, and whenever he rose to speak the orderlies doffed their hats and bowed low as though they were paying obeisance to a most revered, and exalted deity. All this was for the glorification of the minister, who refers to the representatives of the taxpayers of this country as yelping politicians, and compares them to his pet pup in the town of Lindsay.

Mr. HUGHES: I desire to point out that the hon. gentleman never saw any such scene, except in his own disordered imagination. I never sat in uniform at one of the meetings, and the description is a fabrication from start to finish.

Mr. KYTE. The hon. minister would not be the minister if he was not in uniform. I have seen him coming into this House dressed in uniform. If he did not wear feathers he wore a coat of such brilliant colours as to almost dazzle the eyes of hon. members of this House.

Mr. HUGHES: I dare say it is contrary to the wishes and spirit of the hon. gentleman to see that scarlet uniform.

Mr. KYTE: The hon. minister presides over the department that has control of the men who have sworn to His Majesty to defend this country and His Majesty on all occasions, and yet one of the officers of the militia, who occupies a seat in this House, sitting behind the minister, offered his services a few weeks ago to Sir Edward Carson for the purpose of aiding an armed rebellion against law and order in the province of Ulster. The minister is very loyal when interests of a certain element in this country are concerned, but the minister would permit every officer of the militia to bear arms against law and authority if it is on behalf of the Orangemen of Ulster.

Mr. HUGHES: Might I correct the hon. gentleman. That just shows his tyrannical spirit. The militia of Canada are free men when they are not on duty, and the Minister of Militia has no more right to oppose their will than in the case of any other citizen of this country. When not under orders, the men of the militia are as free as any other men.

Mr. MACDONALD: They are not free to take arms against the Crown.

Mr. HUGHES: That is not my concern. I want to point out to my hon. friend, and other gentlemen of the committee, that he mistakes the function of an officer in charge of a department if he thinks the minister should undertake to use forcible measures against those who have the right to breathe the free air of Heaven.

Mr. KYTE: Would the minister explain what he means by using forcible measures against those who have the right to breathe the free air of Heaven?

Mr. HUGHES: If the hon. gentleman's intelligence cannot interpret it, I am not going to take up the time of the House in doing it for him.

Mr. CURRIE: I rise to a point of order and it is this: the hon. member for Richmond (Mr. Kyte) has charged a member of this House with desiring to go and take up arms against His Majesty. That is a very serious charge.

Mr. MACDONALD: Did he not do it?

Mr. KYTE: If the hon. member says he did not send the telegram, I accept his word.

Mr. CURRIE: I am not the gentleman at all. The hon. member has made a very serious charge against a member of this House.

Mr. KYTE: If the hon. member that I refer to rises from his seat in this House, and says that he never sent that telegram offering his services to Sir Edward Carson, assuring him that he would fight with him to the last ditch, I am bound to accept his statement; and I will do it with the utmost pleasure, because it will be an assurance to me that there is one more loyal man in Canada than I thought there was.

Mr. CURRIE: I think the hon. member had better bring the matter up when the gentleman he refers to is here.

Mr. KYTE: I want to assure my hon. friend that he cannot inspire any member of this House with fear.

Mr. CURRIE: If such a charge had been made against a member on that side of the House, I would have been the first to get up and refute it.

Mr. KYTE: If it is true that the telegram was not sent, I shall be very glad to hear it from the lips of the hon. gentleman himself, but I refuse to accept it by proxy.

Mr. CURRIE: I rise to a point of order. I do not think it is fair for an hon. member of this House to make such a serious charge against another member during his absence.

The CHAIRMAN: I did not understand the hon. member for Richmond to make a charge against any member of this House. The facts recited by the hon. member had reference to a telegram, and that is all.

Mr. KYTE: As I said, if the hon. member will deny sending that telegram, I will be the first to accept his denial. The minister stated a moment ago, as justification of the action of that officer, that the men in the militia were free men, and that they could go and come where they pleased; but under certain conditions they are not free. They are not free in Montreal. I remember that a few years ago the question of their attending a certain quasi-public function in Montreal was the subject of criticism on the part of the present Minister of Militia with respect to his predecessor in that office.

Mr. HUGHES: I may point out that when an officer is in uniform he is on duty.

Mr. KYTE: That is the whole point. The hon. minister is willing that they should be on duty under certain circumstances, and under other circumstances he is not willing that they should be on duty. When the hon. member for North Simcoe interrupted me, I was making a statement with respect to the extraordinary amount of money that is being spent from year to year on the militia. The hon. member for Carleton (Mr. Carvell) gave some figures with regard to the expenditure of public money in respect to the period when the Liberal Government was in power. There was a very considerable increase in the expenditure for militia purposes under the regime of the late Minister of Militia and Defence due entirely to the Government taking over the fortifications at Halifax and Esquimalt. The total expenditure for militia for several years previous to the taking over of these fortifications was about $2,000,000. The taking over of these fortifications increased the expenditure to $7,000,000 and it practically remained at that figure during the time that the late Government was in office. But then, we had a sane Minister of Militia who recognized that he had some other duties to perform, that he owed something more to the taxpayers of Canada, than to go around parading with officers in automobiles, touring through Europe and indulging in junketing expeditions from one end of the country to the other from which no value can accrue to the people of the Dominion. The item of the expenditure for militia is one that cannot be too long debated in this House particularly in view of the defiant attitude assumed by the minister in Toronto the other night when he referred to the representatives of the people in this country who endeavoured to reduce the expenditure for militia purpose as yelping politicians.

Mr. HUGHES: Does the hon. gentleman class himself in that outfit?

Mr. MICHAEL CLARK: Shame.

Mr. HUGHES: I never put him there.

Mr. KYTE: One yelper always provokes another yelper to reply.

Mr. HUGHES: If he chooses to put himself there I did not put him there.

Mr. NEELY. Perhaps the minister will explain what he did mean. I am sure the minister appreciates the unanimous way in which the members on this side of the House, by their presence here this afternoon, have expressed their appreciation of the minister's very kind invitation, extended through the mail some days ago, to be present when he made his statement on the militia expenditure. Being such a genial member of the Government as the minister is, what was there for us to do but to accept the very gracious invitation on his part and be present? I was very much disappointed at the sentiments expressed by the minister some days ago in Toronto because the character of the note of invitation misled me as to his attitude. I thought the minister wanted us to be present for the purpose of hearing an impartial statement of his movements as minister, of the doings of his department and of the different ways in which he has been spending $13,000,000 or $14,000,000 in the country's interests. I thought that was what was portended in the invitation of the minister. I thought he wanted

us to be present to hear a thoroughly statesmanlike utterance as to the proposed expenditure of $13,000,000 or $14,000,000 on the militia. The minister might at least have waited until members of this House had had the opportunity of listening to his statement and of offering some criticism, favourable or otherwise, before giving utterance to the expression which has been referred to. The minister, of course, could not foretell the kind of criticism that would be made, but apparently from the article which my hon. friend has read he anticipated that there would be some unfavourable criticism, and he has labelled every man, not my hon. friend from Richmond (Mr. Kyte) alone, but every member of this House and every citizen of this country whether he be in this House or out of it, as a yelping cur if he offered any criticism of this august personage who presides over the Department of Militia and Defence. If the minister thinks he is going to get away with that sort of thing he is sadly mistaken, because there are members on this side of the House who are not afraid to take the gloves off with the minister in the House or out of it any time he wishes to discuss public questions or his own department. But the House can congratulate the minister on one thing at least, and that is that he has furnished this Parliament and the people of the country with about as fine an exhibition of vaudeville as most gentlemen have even paid good money for in the many years of their experience. The minister takes himself so wonderfully seriously both in this House and out of it that he is fast becoming a joke in the country, but the expenditure that is being carried on in his department and under his direction is much too expensive a joke for the people to enjoy.

The minister undertook to tell the House this afternoon that the expenditures of his department were actually decreasing as compared with the expenditures of his predecessor. That, as a statement of fact, is something that must be regarded as being beyond a joke, because it is not very far to the library, and all we have to do is to take the militia Estimates for years past, and in no possible way, by the juggling of figures, can you reach the conclusion reached by the Minister of Militia. Then, if you look at the Auditor General's Report as to what the minister actually does expend, you are confronted with this difficulty, that you have to look here and there all through that report, and almost all through Public Works as well as Militia and Sundry Expenditures, to find what the minister is actually expending for the maintenance of the militia, the construction of drill-halls and other appurtenances of the militia throughout Canada. The minister, both in this House and out of it, has taken the ground, as stated by my hon. friend for West Lambton (Mr. Pardee) that the people of this country want more money spent on the militia than has been spent in years gone by. I am here to-night to tell him that the people in certain parts of the country, at any rate, whatever they may do in others, and I represent one of those parts, do not want to see the militia expenditure jumping up by leaps and bounds as it is under the administration of the present incumbent of the office. I represent in this House a constituency 108 miles long by 108 miles wide—I would be very glad if it were smaller whether I represented it or not—and I suppose there are some twenty to forty villages and towns in that constituency, varying from 500 population to 2,500 population. I have not heard of any four corners, leaving out the towns and villages in the constituency of Humboldt, having a drill-hall costing the country from ten to fifteen thousand dollars planted there simply because that particular corner happened to cast a good Tory vote in the last election. I have heard of things of that sort in eastern Canada, for instance in the province of Ontario, if I have been correctly informed. In regard to this expenditure on drill-halls in small places throughout Canada—and especially is the practice reprehensible in country districts where there is no sign of a militia at all and where these halls are built for the social entertainments of that particular community—I desire to point out that every one of these drill-halls is adding to the fixed cost of the Government of this country. There is the money that is invested not bringing one dollar of revenue to this country; there are the men employed to take care of these buildings, and there is the cost of upkeep and maintenance, year after year. If the hon. minister is allowed to go on with a free hand and build ten, fifteen and twenty thousand dollar drill-halls in little villages and small towns and even at country post offices where there are

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neither villages nor towns nor railroads, in a few years the revenue of this country will have to be doubled and trebled to keep up the fixed charges to be paid for these drill-halls that are absolutely useless so far as any permanent benefit to the militia of this country is concerned.

Representing a people who are trying to make Canada a nation by developing her natural resources, by increasing her national wealth, by contributing as they do largely to the Government of this country, I cannot afford to sit still and hear the sentiment uttered by the Minister of Militia in this House and out it that Canada is in favour of increasing her militia expenditures. I do not believe that to be the case. I think the Minister of Militia has been feeling simply his own pulse in this instance and not the pulse of the people when he has made this diagnosis so far as the sentiment of the people in military matters are concerned.

I have not very much criticism to offer of some of the lines of expenditure pursued by the present Minister of Militia since he has taken office. I presume that the question of a little outing with a number of friends across the Atlantic and that sort of thing seems like a pretty good proposition to the minister. After fifteen years in opposition, I presume he came to the conclusion, when he got hold of his present position, that it was about time that he was enjoying himself at the expense of his country having represented it in this Parliament for so many years. These expenses might perhaps be regarded by the minister as incidental, but they go to make up the grand total. If the Department of Railways does not furnish the minister with a private car as quickly as he thinks it ought to do, I cannot find great fault with him if he buys one himself, because he will have that for the service of himself and of the department; and I would not like to see him put to the trouble of having to ask the Department of Railways for a private car every time he wanted to take a particular jaunt somewhere. But the minister deliberately adopts the policy of sinking the money of this country, as he has been doing for the last two or three years, in such useless and unnecessary expenditures as for drill-halls in little villages in the Tory constituencies of this country, and when he calls that money spent in the public interest, that is the time I have to raise my voice in objection. I would like to be in a position where I would not have to charge the minister with using his position and the department over which he presides in a partisan manner; I would like to think there was one bright and shining light sitting on the Government benches; but I do not see how anybody in this House can come to the conclusion that the Minister of Militia and Defence is that particular bright and shining light. I happened the other day to run across a newspaper published in the home town of my hon. friend the Minister of Militia, and I think it is a good Tory newspaper from the tone of the articles it contained. It is called the Daily Warder, and in the issue of the 28th of April of this year, I find a large front page article, the heading of which is 'Some Facts.' This paper is published in the town of Lindsay, and I understand it is the personal organ of the minister. The minister may not own it, but it comes to his aid in time of political warfare and distress.

Mr. HUGHES: I had every paper in the county against me in 1904.

Mr. NEELY: I shall not be surprised if in 1915-16 the hon. gentleman does not find himself in the same position.

Mr. HUGHES: My majority will be greatly increased.

Mr. NEELY: Some change has taken place since 1904 so far as this paper is concerned, because it devotes some space to the doings of the hon. Minister of Militia and Defence. I do not intend to read the whole article, because it is a long one; but I want to point out the purpose that the Minister of Militia evidently tries to effect by these expenditures which I am now criticising. I think it is a fair inference to take a paper in the minister's own town that gives its support to the minister. These are some of the facts quoted in this article. In the third paragraph I read as follows:

> Colonel Hughes has done much to help Lindsay in its onward march of progress. Were it not for the Minister of Militia Lindsay to-day would not have the fine structure on Victoria Park—

That, of course, is the drill hall.

> —the Government armoury, a building worth many thousands of dollars. In giving this building to Lindsay, Colonel Hughes specifically stated that it was for the use of the citizens for the holding of various kinds of gatherings, as well as for military purposes.

So, if it were not used for military purposes it would be put to some use anyway.

Under the Liberal régime at Ottawa it was impossible to get a clock for the post office tower, yet through the instrumentality of Colonel Hughes, the time piece is to be installed and the tower raised so that the clock will be discernible from all parts of the town. A light will be placed in position to show the time by night.

So, when you go into the minister's town, night or day, even if your watch is not running you need not worry; there will be the bright and shining light representing the Minister of Militia and the clock to tell you the time.

Mr. McKENZIE: Enable you to see the dog.

Mr. NEELY: Yes.

With the completion of armouries and surrounding grounds a large and up-to-date band stand will be erected.

That, no doubt, will be necessary. Even with all his duties here, the minister must sometimes visit his own town, and when he does, of course, they will want a band stand in front of the armouries so that the regimental band may give a proper reception to one who has done so much for the town. I said I would not read the whole article. I have read so much only to bring out this point; though the minister says he is not making these expenditures for political purposes, but for the good of the country, for the upbuilding of a strong and efficient militia force, yet the newspaper that supports him in his own town, does not agree with that view.

Mr. EMMERSON: But that only cost $47,000.

Mr. NEELY: Here is a summary of the things the minister has done since this Government came into power for his town and constituency:

In summing up, it is interesting to note that improvements have been secured for Lindsay as follows through the instrumentality of our member:

New armouries, at a cost of $35,000.

There must have been extras, and this paper has not included them.

New lighthouses on Scugog; rural routes established throughout the county; improvements to post office already made; dredging of Scugog river in Lindsay, $25,000; building of new wharfs at summer resorts;—

I wonder what effect that last will have in improving the condition of Canada generally. This newpaper does not give the amount, but I presume these works are numerous because this is in the plural.

—addition to post office and exterior alterations, $25,000; post office tower to be extended and large clock installed; improvements to Victoria Park; paved laneway east of post office; dredging improvements at Balsover and on Balsam lake; new band stand for Victoria Park.

Mr. MACDONALD: How did he do that band stand?

Mr. NEELY: I do not know whether it is part of the necessary equipment of these armouries or not; I do not know whether it is built on Government property or outside. The minister can inform us about that. Here is the organ in the minister's own town that supports the minister, giving this list of things done by him for the benefit of the town and constituency.

Mr. HUGHES: Are these all completed?

Mr. NEELY: Evidently, or they are expected soon to be completed, and probably they are under way. The minister's own organ in his own town distinctly uses the different things the minister has done to win for him support in that town. So, as we watch the development of his drill-hall policy, the conclusion to which every member of the House is driven is that the minister has deliberately set out to spend money, even in places where it is absolutely not needed for militia purposes, for the benefit of the party to which he belongs.

Mr. HUGHES: Will the hon. member permit me a statement?

Mr. NEELY: Yes.

Mr. HUGHES: If you figure up the militia expenditure in the province of Ontario, you will find that more money has been expended in Liberal constituencies in proportion to their number than in Conservative constituencies. I refer particularly to drill-halls at Alexandria and Renfrew, one represented by the ex-Minister of Railways (Mr. Graham), and the other by the hon. member for Glengarry (Mr. McMillan).

Mr. EMMERSON: I would suggest that if the minister spent money in Ontario at all, it would almost necessarily have to be in Conservative constituencies.

Mr. NEELY: The minister may be correct so far as the figures are concerned, yet, that is not the inference that is drawn so far as concerns favoritism to the constituencies—

Mr. HUGHES: I wish to correct the hon. gentleman there. There was no favouritism. These expenditures were made because the people in the localities deserved them. The officer commanding the Glengarry regiment, a staunch Liberal and son of a prominent Liberal, is one of the most worthy officers in Canada. I have no hesitation in saying that he commands one of the best regiments—

Mr. EMMERSON: The hon. minister is not trying to seduce the constituency, is he?

Mr. HUGHES: The officer to whom I refer is the son of a former Grit lieutenant-governor of Ontario, and I do not think you can turn him to be a Tory now.

Mr. NEELY: What the minister has said does not detract in the slightest from the statement I have made. There may be the two instances to which he has referred in which, under urgent necessity, he has been forced to spend money where otherwise he would not have spent it, following the course he has followed throughout the length and breadth of Ontario—and I want to know if the minister will deny it?

Mr. HUGHES: I certainly do deny it.

Mr. NEELY: What about the drill hall at Blackstock, in the province of Ontario ?

Mr. HUGHES: One of the best companies in Canada is at Blackstock—the company that broke the lines at Batoche, a few miles from where the hon. gentleman lives, came from Blackstock.

Mr. NEELY: I know that it is a country village, three or four miles from any railway; yet the minister has built a drill hall there.

Mr. HUGHES: In 1885 a call came to this company, to which I had the honour of first belonging, for 42 men, and they turned out 125 men inside of twenty-four hours. I have no hesitation in saying that this company is not surpassed by any other company in Canada.

Mr. NEELY: What happened in 1885 does not particularly concern us at the present moment; conditions have changed in many parts of Ontario. I have been informed—I may have been wrongly informed, but I think not—that at the present time there is no militia force at this little four-corners in the country, four miles from any railway; yet the minister has seen fit to spend a considerable sum of money in building a drill hall at that place. But I do not hold the minister to any one particular instance. If hon. gentlemen will go from town to town and from village to village throughout the province of Ontario they will find to what extent these drill halls are being used to build up a strong and efficient militia in this country. Many of them, as the minister must know, are hardly used from one year's end to the other except by the people for purposes of entertainment. I protest against that method of expenditure of the public money of this country.

As the hon. member for Carleton and the hon. member for Richmond have pointed out, the minister has taken credit unto himself for certain moral reforms which he claims to be responsible for in the training camps of this country. If the Minister of Militia carries out his objects, so far as I am concerned he will have hearty support. But, during the course of last summer I made casual inquiries from gentlemen who were at Niagara, Petawawa and other points last year, and I was informed that the officers of the various companies treated the order of the minister as a joke, and that the old conditions still prevailed. This is not my personal observation, as I do not go to a militia camp to drill, but I am told by responsible men who go to camp year after year as officers of regiments that while the minister has been proclaiming himself from one end of the country to the other as the originator of the policy that there shall be no more canteens and no more liquor in the camps his mandate has been disregarded. If the minister's attitude is an honest and sincere one, I am sure that every man in this House will endorse his attempt to protect the young men who go to camp to drill, and who should be protected as far as possible from temptation to which they are not subjected in their own homes. But I do object to the minister's taking to himself credit for a great reform which I believe is not put into effect in a single training camp in Canada.

Mr. G. V. WHITE: It has been my privilege to visit the Petawawa camp on many occasions and I can assure the hon. member for Humboldt that the instructions issued by the hon. minister have been carried out to the letter so far as that camp is concerned. I know absolutely that the minister has given strict instructions; that those instructions have been carried out and that there has been no sale of liquor in or around that camp since the present min-

ister took charge of the affairs of the Department of Militia.

Mr. NEELY: All I can say to my hon. friend that I can give him privately the names of some very responsible men who were at that camp during the past summer and who say that the condition of affairs pictured by the hon. member for North Renfrew does not exist.

Mr. G. V. WHITE: I would like my hon. friend to give me the names.

Mr. NEELY: I shall be delighted.

Mr. G. V. WHITE: I do not suppose the hon. gentleman holds the minister responsible for the consumption of liquor that has been taken into the camps by individuals. It has been my privilege, as representing my constituency, to see the minister in connection with getting the canteen privilege for some of my constituents, and the stipulation which he has always made is that he would not under any circumstances tolerate the use or sale of liquor within the camp grounds.

Mr. NESBITT: When the hon. minister issued his statement of militia expenses for this year. I felt like congratulating him upon the business-like way in which he put his statement before the committee. But tonight, when I asked him, having regard to the comparison which he made between the estimates for 1914-15 and the expens s for 1913-14, whether we were to consider that to be the whole of the expenses for 1914-15, he told me, very briefly, that he hoped not. I notice, however, that the heading over the expenditure for 1914 says: voted in Main and Supplementary Estimates. Then required for 1915 is the heading over the other column. He takes credit at the bottom of the page for a saving of $71,905, but he told me quite frankly that he expected to add to the Estimate for 1914-15 by the Supplementary Estimates. Therefore, this statement was a deception, as I told him before, which I do not think he should have tried on business men such as we are in this House. He has put forward a statement that was not true on its face. I have no fault—

Mr. HUGHES: I might point out in all fairness that it is impossible to give the amount in the Supplementaries as they have not been brought down and have not even been sent in.

Mr. NESBITT: I quite appreciate that.

Mr. HUGHES: My statement shows that on its face; one column is 'Main' and Supplementary,' the other 'Main.'

Mr. NESBITT: I quite appreciate that probably he could not have shown us the Supplementaries for this year; but he should not have pretended, in large letters at the bottom of the page, to say that he had made a saving of $71,705. That is what I find fault with. I notice that in the additional Supplementaries for last year, which have not all been passed yet, there is quite a large amount. That, I presume, is not counted. I have no fault to find with the minister in his enthusiasm for the militia, and I believe that he honestly tries to do what he says he is doing in order to correct the evil habits, if there are any, in the militia and to train the young men of the country. What I do find fault with is that the expenditures, to a very great extent, are increasing too rapidly for the revenues of the country and for the good-will of the people in so far as I know their feelings. No expenditure incurred by the Government during the year so stinks in the nostrils of the public as the unnecessary militia expenditures. I have pointed out before that the expenditures on armouries in some instances are totally and absolutely unnecessary. One hon. member this afternoon said that the minister figured in armouries. As far as I can gather from him, he assumed that the ordinary armoury would cost $10,000 to $12,000; but in no case during the last few years has there been an expenditure, so far as I know, of only $10,000 or $12,000 on an armoury. I have here an Estimate for an additional armoury in Brantford to cost $75,000. The vote last year was $25,000. Over the page there is a vote for an armoury in Port Arthur and the Estimate for this year is $100,000. Last year the vote was $99,000. That is an expenditure already incurred and asked for this year of $199,000 in a town of ten thousand people.

Mr. HUGHES: Is my hon. friend aware that the site was purchased for a large sum and the plans made by my predecessor?

Mr. NESBITT: That does not make any difference; we are not accounting for my hon. friend's predecessor, but for what he is doing now.

Mr. HUGHES: I am not apologizing, but I am loyally carrying out any

undertakings entered into by my predecessor or on his behalf.

Mr. NESBITT: The expenditure of $199,000 in Port Arthur, and I have no doubt that that will not be the only expenditure, it seems to me to be excessive. In Woodstock we have an armoury that cost $50,000 that is quite good enough for any town of 20,000 or 25,000. The armoury in Port Arthur, therefore, is a sheer waste of public money. All of these expenditures on armouries are, in my judgment, largely waste of money. I believe that we do not want armouries in many places where we propose to build them. I am quite in accord with the minister on certain of his expenditures, such as the cadet service and the expenditure for what they call civilian rifle associations. I believe that is proper expenditure. But to jump the expenditure up, as this statement has shown us, to $11,000,000, without counting these armouries, appears to be quite unjustified, and it will be found that the Estimates do not include a great many expenditures that will be incurred this year. I absolutely agree with the hon. member for Lambton that while the minister may be enthusiastic over his militia expenditure and training, I think he has largely lost his balance over these expenditures. He is proposing to and has put the country to an expenditure for militarism that the people of the country are not in accord with. Many of my hon. friends opposite know that as well as I do. Let me give the minister credit for being, I think, honest in his purpose; but he has gone military mad; he talks militarism every place he goes. I ask my friend, with all due deference to himself, if such a speech as was read by my hon. friend from Richmond (Mr. Kyte) to-night is courteous to the people of this country whom we on this side of the House have the honour to represent. In every constituency represented by the supporters of my hon. friend there are some Liberals, and they, too, must feel insulted by such a speech as was read to-night. My hon. friend said that report was all correct, except that he had said that the the engineer should not stop the train. When my hon. friend gets off a speech like that he is casting a direct insult, in my opinion, not only upon the members on this side of the House but upon all the Liberals of Canada, and I question whether they will not resent such talk as that—whether it is before or after dinner. We, who understand these dinner parties might excuse these after-dinner remarks, but as a minister of the Crown there is no possible excuse for the hon. gentleman using the language he did on that occasion.

Mr. HUGHES: I never read the article. I was referring to some articles wherein I was charged by certain gentlemen with training the people up to be blood-thirsty and assassins, and nonsense of that kind; and I take this opportunity of saying that that kind of talk is nonsense. I had no reference to the politicians—not that I am making any apology—I was speaking of the peace-at-any-price gentlemen, who endeavoured to bring about the annexation of Canada to the United States, and who charge me with being blood-thirsty and training the children to be assassins. I do not know anything about Rev. Mr. Brown.

Mr. NESBITT: I do not want to know who the Rev. Mr. Brown is. The minister did not give that explanation to the hon. member for Richmond (Mr. Kyte).

Mr. HUGHES: It was not asked for in the same spirit.

Mr. NESBITT: My hon. friend from Richmond read an article, and the minister knows what answer he made. I am not a peace-at-any-price individual, though I am for peace. I believe this far with the minister, that it is necessary to train the youth of the country to a certain extent, and I believe they take no harm by it; but that does not cost very much. I think this year's Estimate for cadet service is $392,500, the same as last year. Why should not the rest of the Estimates be in proportion? There is an inclination to increase all along the line. I absolutely agree with the hon. member for Lambton (Mr. Pardee) that there is too much expense at the top, and I think the minister must agree with that too; and there is too little expenditure on what would give good service to the country in case of trouble. I refer to teaching the ordinary civilian how to shoot, as well as the militia men. I believe the minister has a great deal of trouble in keeping the militia men up to the standard, because, I confess, the pay is so small. The people might grumble, I suppose, if it was very much increased. At the same time it would be better to increase the expenditure in that direction for the benefit of the men who join the ranks and who, after all, are the militia of this country than for the benefit of the people at the top. I have no doubt that the officers endeavour to do their duty,

but as my hon. friend from Carleton pointed out there is a great deal of red tape and unnecessary expenditure in connection with the Militia Department. I have argued that with the minister's predecessor both publicly and privately, and I still think there could be a great deal of improvement along that line. The principal mistake in my judgment is in building unnecessarily expensive armouries throughout the country. If the minister would confine himself to his calculations this afternoon, that is spending $10,000 or $12,000 for an armoury where it is needed, not much fault could be found. I think there is an estimate in this book for a million dollar armoury in Toronto. They have several armouries there now.

Mr. HUGHES: I never heard of a million dollar armoury in Toronto.

Mr. NESBITT: Perhaps it is not true. I saw the Estimate somewhere, either last year or this. Take the grounds at Montreal recently bought for military purposes. That was undoubtedly an extravagant expenditure, and I cannot agree with my hon. friend that it was necessary to do away with the shooting ranges here and put it in a place that is not so accessible. I am perfectly willing to see the minister get Estimates through for a reasonable expenditure for militia purposes, but I do not think the absolutely unnecessary expenditure upon militarism in this country will be tolerated by the people of Canada. They are, so far as I know, willing to stand for a certain expenditure on the militia, but the minister must bear in mind that there is a great deal of truth in the comment of my hon. friend from Carleton as to the unnecessary junketing—if I may be privileged so to call it—on the part of the militia officers throughout the country. I think no one finds fault with the minister for visiting the various military manoeuvres in order to get the knowledge that he, as minister, should acquire, but in my judgment it was absolutely unnecessary to take so many men over with him, and to go to an expense that the people of this country do not think necessary. My hon. friend will be safely guided if he follows the advice given by the hon. member for Lambton to-night, to curtail to a very great extent the military expenditure that he proposes to make in this country. I am not going to pretend to abuse the minister in any manner or form, but I do say in all fairness and frankness that he will be well advised to decrease the military expenditure in a great many ways, more especially as regards the absolutely unnecessary expensive armouries. How am I going to explain to the people I have the honour to represent, who are not of the peace-at-any-price kind, by any means—

Mr. HUGHES: Is there not a drill hall in Woodstock, and what is the cost?

Mr. NESBITT: There is a very good one, which cost a little less than $50,000.

Mr. HUGHES: I think it cost over $100,000.

Mr. NESBITT: I think the minister will find that it cost less than that. I helped to put up a deposit for one of the tenderers. His tender was for $55,000 and he lost the contract, which makes me remember it very distinctly. The armoury in Woodstock would be absolutely good enough for Port Arthur and Fort William combined.

Mr. HUGHES: I find that the Woodstock armoury, built in 1906, cost $73,091.

Mr. NESBITT: If there is anything over $50,000 or $48,000 it will be additional for heating, grounds, or something of that kind. They have very beautiful grounds, large enough for a city of 50,000 people. Then here we have Vancouver drill-hall, $100,000 re-vote, but the amount voted in 1912-14 was $275,000. That would leave $175,000, with this year $100,000, and we have no reason to believe that is the end of it.

Mr. HUGHES: There is militia property in Vancouver that is unsuitable for this purpose that can be disposed of for much more than that amount, so that it is merely a transfer.

Mr. NESBITT: Victoria is just above.

Mr. HUGHES: In Victoria we will have $500,000 to our credit.

Mr. NESBITT: Here is an expenditure of $275,000 to be applied to a drill-hall in Vancouver. The hon. gentleman could drill the whole population of Vancouver in a building of that kind.

Mr. HUGHES: Vancouver city is built on property belonging to the Militia Department worth $20,000,000, and we have never got a dollar for it.

Mr. NESBITT: I have heard the hon. gentleman say something about certain properties being given in Montreal by the Militia Department to the city of Montreal. My hon. friend would almost lead us to believe that the Militia Department was an

earning department and had property of its own. These properties belong to the Dominion of Canada.

Mr. HUGHES: To the Militia Department.

Mr. NESBITT: But they were given by the Dominion to the Militia Department.

Mr. HUGHES: They were handed over by the imperial authorities to the Militia Department.

Mr. NESBITT: That was very kind of the Imperial authorities. The land belonged to Canada. It is just like my hon. friend to claim that the Militia Department own the land, when the fact is that they own nothing at all. It belongs to the people of Canada, and the Militia Department happens to be a department, that is all. What nonsense to talk about the imperial authorities giving this land. It was very kind of them to give the people of Canada something that belonged to the people.

Mr. HUGHES: We have upwards of 1,200 cities in the Dominion of Canada openly and publicly offering free sites for drill-halls. How does the hon. gentleman account for that if the people do not want drill-halls?

Mr. NESBITT: That proves nothing. I believe that in Woodstock they might have been willing to give a site to have a $40,000 or $50,000 drill-hall built there. Cities and towns want expensive buildings erected in their localities. That is why this is supposed to be such a drawing card for the Government and their supporters. Instead of erecting a $10,000 or $12,000 drill-hall they put up buildings costing $100,000, $150,-
12 p.m. 000, $200,000 and $300,000 in various places. I do not wonder that when they provide buildings of that kind municipalities offer free sites. The site may have cost the municipality nothing. When the armouries are built in some of these places the minister will find a great difficulty in forming corps to fill them. In many instances it will be absolutely impossible for him to find corps to occupy these armouries. Then, it is absolutely absurd to talk about turning these armouries into pleasure resorts. Why should the Government spend money in erecting armouries to be used as pleasure resorts? The minister talks about keeping the boys and girls off the streets and away from the movies. That is worse than absurd. If my hon. friend will come to Woodstock as my guest, I will go down the street with him on Saturday night and he will see how many boys and girls there are at the armouries and how many at the movies. I will bet him a box of good cigars that he will not have much trouble in counting them at the armoury while he will have a lot of trouble in counting them on the street coming out of the movies. My hon. friend talks about teaching the boys and girls manners. That is all tommy-rot, or, as the Indian says, walla walla. My hon. friend is all right as long as he keeps himself under reasonable control. I believe that the people will be with him as long as he controls his vast enthusiasm on this question, comes down here with a common sense proposition and does for the people what is necessary with regard to militia affairs and nothing more.

Progress reported.

On motion of Mr. Borden, the House adjourned at 12.03 a.m. Friday.

Friday, May 8, 1914.

The House met at Three o'clock, the Speaker in the Chair.

FARMERS BANK PAPERS.

Hon. W. T. WHITE (Minister of Finance): I have laid upon the table a list in detail of the depositors of the Farmers Bank in Canada, both on current and savings accounts. The hon. member for Halifax (Mr. A. K. Maclean) asked me to furnish him with information as to the amount of deposits payable on demand and of deposits payable after notice as of the last day of each of the years 1907, 1908, 1909 and 1910. I have obtained that information and laid a statement of it upon the table. The right hon. the leader of the Opposition asked for a return of all papers, documents and correspondence relating to the matter of the Farmers Bank. I find upon inquiry that two returns have been brought down to the House, one in 1912 and the other in 1913. Of the former I have obtained a copy, and as my right hon. friend may desire to look at it I laid it also on the table. The return which I laid on the table in 1913 was on the motion of

the hon. member for Pictou (Mr. Macdonald) and I believe that he has or had it in his possession. I have been unable to locate it. In addition to the documents which I have mentioned I have made a careful search, and I find that I have several printed appeals or applications for aid. No doubt these have been furnished to the members, but as I have them among the documents I lay them upon the table. In addition I lay upon the table an approximate statement of affairs as of May 1. I think that completes all the documents I have in my possession or shall be able to obtain.

Mr. MACDONALD: I remember seeing the return to which my hon. friend refers after it was brought down, but I have been unable to find it among my papers. It may be in my office at home. I have communicated with my office and shall endeavour to find out. I presume that the minister will have a copy of the return.

Mr. WHITE: I find I have not a copy, the reason being that I laid my copy upon the table, and I think my hon. friend then got his copy. In some way they have both been mislaid. The information now asked for was brought down, and I do not know that it was of especial importance; but if any member requires anything in addition to what is now before the House I shall be only too glad to endeavour to get it.

CANADIAN NORTHERN RAILWAY PAPERS.

Mr. BORDEN: My right hon. friend the leader of the Opposition spoke yesterday of the desirability of having the documents in connection with the Canadian Northern Railway proposals printed and laid upon the table of the House. We had provided a number of copies which it was anticipated might be sufficient for the use of those who desire to discuss the question, and this was done in the hope that I might take up the resolution on Monday. My right hon. friend has represented to me that it is desirable to have certain portions of the documents printed, and accordingly my colleague from Halifax and the Solicitor General have gone over the papers and made a selection, which, in order to expedite the matter, has already been placed in the hands of the printer. It is necessary, however, to make a motion to have the matter regular; therefore, I beg to move:

That such portions of the documents laid upon the table of the House in connection with the proposed resolutions relating to the Canadian Northern Railway system as have been selected for the purpose shall be printed forthwith, and that the provisions of rule 74 be suspended in relation thereto.

Sir WILFRID LAURIER: That will be quite satisfactory. I may say to my right hon. friend that he will find the trust deed of December 28, 1913, which yesterday he said he could not find, in schedule 2, part 2, item 3. It is not necessary to have it printed.

Motion agreed to.

CANADA TEMPERANCE ACT AMENDMENT.

Mr. DOHERTY moved for leave to introduce Bill No. 180, to amend the Canada Temperance Act. He said:

There are several purposes for which it is sought to amend the Act. The first amendment is to make such provisions as are necessary to make the Act applicable in the provinces of Alberta and Saskatchewan. Under the dispositions of the law as it now stands, the Act is not susceptible of practical application in those provinces. The second amendment looks to the providing of a list of electors for use in the election for the adoption of the Canada Temperance Act in different districts. The difficulty that has arisen, and that is sought to be obviated, has arisen in those portions of the province of Ontario which constitute unorganized territory. The general provision of the Act is that persons who would be entitled to vote at a Dominion election if such an election were being held, are entitled to vote on the election for the adoption of the Canada Temperance Act. The lists in unorganized territory for use in the Dominion elections are, under the provisions of the law, to be made each year, unless the Governor in Council decides in any particular year that it is not necessary that they should be made; and in practice such an Order in Council is passed save in years where it is anticipated that there will be an election. The result is that it may happen, and it has happened, that where it is desired to adopt the Canada Temperance Act in any district composed in whole or in part of unorganized territory in the province of Ontario, there is as regards that part no list of electors in force, and it is necessary to have one made which may serve at the election for the adoption

of the Act. Under the law as it now stands, even if only a portion of a riding forms part of the district in which it is sought to bring the Canada Temperance Act into force, it is necessary to make a list of that entire Dominion riding, which entails a very large and useless expense. The purpose of this amendment is to provide that when an election has been ordered for the adoption of the Temperance Act a list shall be made for such portion of the unorganized territory as is included in the district in which the election is to take place; and, further, that that list shall be for the purpose of that Temperance Act election only. The reason of that last provision is that where for a purpose of that kind a list was made of the electors in only a portion of the riding, in the event of a Dominion election coming on in that riding, it did not seem proper that there should be one list for one part made at one time, and the balance made later on. There are, in addition, two provisions made to settle doubts; that is to say, provisions with regard to contestations of the election for the adoption of the Canada Temperance Act. These provisions declare that the superior courts of the different provinces shall have jurisdiction to hear and determine such contestations; and further provision is made as to the procedure, in substance enacting that any person entitled to vote at the election may attack the validity of the election, and that he shall be bound to advertise notice of his contestation during a period of two weeks. As there are no persons who have any special quality to be defendants on such contestation, it is provided that any interested person may appear to contest the petition; and power is given to the judge, in the event of more than one such qualified person appearing, to make such order as may be required for the consolidating of the defences or contestation, and such other orders as may be necessary to prevent the incurring of unnecessary expense as the result of multiple contestation.

Mr. OLIVER: May I ask if the conditions in the prairie provinces of Saskatchewan and Alberta, where municipalities are nor organized, are recognized in the amendment?

Mr. DOHERTY: The provision is that the word 'county' in the Act, as regards Alberta and Saskatchewan, has the meaning of electoral riding.

Motion agreed to, and Bill read the first time.

[Mr. Doherty.]

WINNIPEG JOINT TERMINALS.

Hon. J. D. REID (acting Minister of Railways and Canals) moved for leave to introduce Bill No. 181, respecting the entrance of the Grand Trunk Pacific Railway Company and the Canadian Northern Railway Company into their joint terminals at the city of Winnipeg.

Sir WILFRID LAURIER: Explain.

Mr. REID: On April 10, 1911, the Minister of Railways and Canals, the Grand Trunk Pacific and the Canadian Northern entered into an agreement by which the Grand Trunk Pacific would have running rights over, and the use of, the terminals in the city of Wininpeg. This Bill is simply to ratify the agreement. The Bill has just one clause ratifying the agreement, and a schedule setting out the whole agreement.

Motion agreed to, and Bill read the first time.

THE NEW GOVERNOR GENERAL.

On the Orders of the Day being called:

Mr. EMMERSON: I would like to ask if the Government have any official information in respect to the appointment of a Governor General to succeed the present incumbent of the office? I see rumours in the press, and I presume that the people of Canada would like to know what foundation there is for them. I hope that the rumours are not true. Still, I speak individually.

Mr. BORDEN: There has been a telegram received by His Royal Highness the Governor General, announcing that His Majesty has been pleased to approve of the appointment of Prince Alexander of Teck to succeed His Royal Highness as Governor General.

QUESTION OF PRIVILEGE.

Mr. KNOWLES: Mr. Speaker, I rise to a question of privilege. During the remarks of the hon. Minister of Militia and Defence (Mr. Sam. Hughes) yesterday afternoon, he referred to a conversation between himself and myself in regard to the appointment of certain honorary lieutenant colonels. I wish to call attention to an omission in 'Hansard' at page 3535.

Mr. SPEAKER: If the hon. gentleman would be good enough to state what the question of privilege is, we would know whether it is a question of privilege or only

a correction of something, which, I take it, would not be a question of privilege, but which he has properly the right to do.

Mr. KNOWLES: I do not understand; I was doing the best I could to tell you.

Mr. SPEAKER: My request to the hon. gentleman was to state what the question of privilege was before going on with the reading. If it is merely a correction, it would not be a question of privilege. Very often a request is made by an hon. member to rise to a question of privilege, when in reality it is not a question of privilege at all, but simply a correction of something that is wrong in 'Hansard,' or a misprint in regard to something that the hon. gentleman had said.

Mr. KNOWLES: You will have to watch me closely, because if I say something that is not a question of privilege you will have to stop me. I cannot do anything better than I am doing. I said that I had risen to correct an omission in the 'Hansard.' There is something left out that I want in 'Hansard.'

Mr. SPEAKER: It is quite proper to draw attention to an incorrect report and to ask for a correction, but it would not ordinarily be regarded as a question of privilege.

Mr. KNOWLES: Do I understand you to rule that I am to go on?

Mr. SPEAKER: It is quite in order for the hon. gentleman to go on and make the correction.

Mr. KNOWLES: I will have to start again, for I have forgotten where I was stopped. Yesterday the Minister of Militia and Defence made a speech, and in the course of that speech he took occasion to make some allegations with reference to a conversation which had occurred between himself and myself, with regard to the appointment of an honorary colonel. On that occasion I controverted the minister's statement, but it is not on that I wish to dwell. In corroboration of what I said, I made a further statement of a matter of fact, which is entirely omitted from 'Hansard'. In corroboration of my rendition of the fact, I stated that a certain gentleman named Colonel Williams—there is no reference to Colonel Williams in 'Hansard'—I said a certain gentleman named Colonel Williams, who is connected with the Militia Department, and who is a member of the Militia Council, sought me out. I never heard of Colonel Williams before. He sought me out in my room, 212, bringing a file with him and saying he was instructed by the Minister of Militia to seek me and introduce himself to me, and he asked my views on the suitability of this gentleman as an honorary colonel. I told him my views, which were favourable to this gentleman. I never asked Colonel Williams directly or indirectly, I never asked the minister or anybody else, to appoint any person honorary colonel. I simply answered the question, giving my opinion as to the suitability and character of this gentleman. The whole reference to this interview of Colonel Williams, who was sent as an emissary from the minister, with me, is entirely omitted from 'Hansard'.

INSPECTION OF PICKLED FISH.

On motion of Hon. J. D. Hazen (Minister of Marine and Fisheries), the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, that it is expedient to provide for the inspection and branding of pickled fish, for the appointment of inspectors and the making of regulations, the nature of brands and the capacity of barrels, and penalties for infraction of the regulations.

Mr. HAZEN. The purpose of this resolution and the Bill which is to be founded on it is to give an impetus to the pickled fish industry throughout Canada, more especially the pickled herring business. At the present time, herring put up in Scotland and other parts of the world sell for prices far in advance of the prices that are obtained for herrings and other fish pickled in Canada. It is believed that this is due entirely to the absence of proper methods in pickling this fish in Canada, because the fish that are taken in Canadian waters are quite equal to those taken in Scotland or anywhere else. Scotch herrings bring a price of $10 a barrel as against $3.50 a barrel obtained for Canadian herrings. The object is to provide for a proper system of inspection so that fish put up in a certain way will bear the hallmark, as it were, of the Canadian inspector, and people buying this fish will know that proper inspection of it has taken place.

Mr. A. K. MACLEAN: Will the Bill prescribe the character of the package?

Mr. HAZEN: Yes.

Mr. SINCLAIR: Will the inspection be compulsory?

Mr. HAZEN: No; but we hope and believe that the result will be that after a short time those who put up pickled fish will see the very great advantage of having it inspected and bearing the mark of the inspector. As a result it is hoped that the prices obtained for this inspected and branded fish will be very much higher than present prices.

Mr. LEMIEUX: Will there be inspectors named for this inspection?

Mr. HAZEN: The inspectors will visit different parts of Canada where fish is put up. For example, if the inspector is advised that at some point in Gaspé, or Bonaventure, or in the Maritime provinces fish are ready for inspection, he will go there and put his mark on the barrel according to the grade of the fish. When the Bill is introduced it is my intention to move that it be referred to the Select Standing Committee on Marine and Fisheries, so that it may have the advantage of its details being discussed by that committee, and the opinion of the officials of the department presented. I have no doubt it will receive careful consideration from the committee, and if any amendments are offered in the public interest they will be considered, because although the Bill is, I think, very carefully thought out at present, there may be improvements made in it.

The pickled fish industry of Canada, which includes the trade in salted herring, mackerel, alewives and salmon, has been for years in a languishing condition. Dealers in many cases refuse absolutely to have anything to do with the cured product. The cause of this is to be found, first, in the poor, leaky packages of varying size, which are in common use and which invariably ruin their contents in the course of transportation; and, second, to the lack of a proper system of grading the fish, together with careless, unsystematic packing.

This Bill, as I have pointed out to the committee, is intended to bring into general use an improved standard barrel for curing and marketing pickled fish, and to raise the standard of curing and packing to such a degree that the cured article shall secure the confidence of dealers at home and abroad.

To carry out the provisions of the Bill, when it becomes law, a small staff of inspectors will be appointed and duly drilled and instructed in their duties. These will thereafter form a sort of travelling school of instruction in their several districts, for barrel-makers, fishermen and other packers. In addition to this, regulations in the form of a book of detailed instructions will be placed in the hands of packers, etc., for their guidance.

Mr. A. K. MACLEAN: How will these inspectors be paid ?

Mr. HAZEN: They will be paid by the Department of Marine and Fisheries out of the general appropriation placed at our command.

Mr. MACLEAN: Will any charge be made to the packers for the inspection ?

Mr. HAZEN: It is not proposed to do so at present. The inspectors will thoroughly examine all pickled fish presented to them for inspection, while the goods are still in the hands of the original packer. If the barrel is of the standard size and make, and the fish are graded in accordance with the regulations contained in this Bill, they will apply to each barrel so conforming to the requirements, a brand or guarantee of quality, which will show the grade of the fish, the year in which the fish was packed, and the inspecting officer's initials or number.

Mr. LEMIEUX: What will be the cost of administration ?

Mr. HAZEN: We do not think that the cost will be at all large. Some of the officials at present in the department can be utilized for the purpose, and a few other inspectors may have to be appointed who will not only act as inspectors, but go about the country preparing for this work by meeting the fishermen in the different sections; pointing out to them exactly what the provisions of the Bill and the regulations are and educating them on the subject in the same way that lecturers go to the farmers to-day and give them instructions in regard to agriculture. It is not anticipated that any large additional number of inspectors will be required.

Mr. A. K. MACLEAN: Is the Bill the same as the Act in force in this country some years ago?

Mr. HAZEN: I am unable to answer the question of my hon. friend, because I do not know the provisions of that Act. My attention has not been called to it.

Mr. SINCLAIR: Does the Bill provide for a standard barrel?

Mr. HAZEN: The Bill and the regulations under the Bill will provide the sort of barrel that will have to be used in order that the inspector will be justified in putting his mark on it, showing that it has been inspected by him and contains a certain quality of fish. It will have to be a barrel of a certain quality and of a certain kind, because I believe the great difficulty in the putting up of pickled fish to-day is that they are put up in barrels that are leaking in many cases, so that the pickle runs out and the fish become rusty. The term 'rusty' is familiar to all of us who live near the sea. Our friends from the interior will hardly know the expression as applied to fish. Unless you get the proper barrel to put up the fish in, you can not be sure that the fish will continue to be of good quality, because when a barrel full of fish with pickle in it is sent about the country by train, etc., the staves work loose; the pickle runs out, and the fish are destroyed. It is largely due to that fact that pickled fish put up in Canada brings such a very small price as compared with the pickled herring cured in Scotland, which in very considerable quantities are sold in this country and on this side of the Atlantic for a sum fully three times as large as is obtained for pickled fish put up in Canada at the present time. There is of course also a difference in the method of curing.

Mr. SINCLAIR: Is the inspection in Scotland done by the Government?

Mr. HAZEN: The pickled fish industry in Scotland was built up under legislation of this character. A good many years ago there was the same trouble with the pickled fish industry in Scotland. Under Acts which are somewhat similar to this Bill, but which I believe also provided for a bounty, the pickled fish industry in Scotland, from being a comparatively small industry and one that did not give very large returns to those engaged in it, has become a most important industry. This was largely brought about by the passage of legislation, the object of which was to give assurance to the man buying the products that what he was buying had been properly inspected, and that he was getting an article up to a certain standard of excellence.

Mr. A. K. MACLEAN: At the start it referred only to herring.

Mr. HAZEN: Yes. As a matter of fact, if this Bill becomes law, it will be used chiefly in connection with herrings. It mentions alewives. Hon. gentlemen know that alewives, also known as gaspereaux, are smoked and cured and sent down to the West Indies. There is very little sale for alewives in this country. There is also a provision in the Bill that any other class of fish may be brought within its scope if it is thought desirable to do so. It will also apply to mackerel and salmon; and it is possible that in the future, although it is not likely, because the shad is not an important commercial fish in this country, it may also be applied to shad.

Mr. SINCLAIR: If the Government stamp is placed on a barrel of fish, I suppose that the Government will be responsible that there is good fish in the barrel; and if there is anything wrong with the fish, that the Government will pay the damages. It is something in the nature of a guarantee—like the Farmers' Bank.

Mr. HAZEN: If the Government stamp is put on a barrel, and if it turns out that the goods contained in the barrel are not up to the proper standard, it will be perfectly clear that we have appointed somebody as inspector who is not fit to perform his duties, and that he should be removed and another inspector appointed in his place. A great deal will depend upon the efficiency of the inspectors and upon the fidelity and care with which they discharge their duties.

Mr. MARCIL: Will the appointments of the inspectors be political?

Mr. HAZEN: The appointments will be made by the Department of Marine and Fisheries.

Mr. MARCIL: Will they be political appointments?

Mr. HAZEN: No. The inspectors will be men qualified to fill the position. If we do not get men of that class, this legislation will certainly not be a success.

Mr. MARCIL: Will codfish be included?

Mr. HAZEN: Codfish are not put up in barrels; they are dry-cured.

Mr. MARCIL: The hon. member for North Cape Breton (Mr. McKenzie) says that they are pickled at certain seasons of the year.

Mr. HAZEN: My experience with codfish is that they are dried sometimes in the sun and at other times by process of steam.

All these matters will be considered by the Committee of Marine and Fisheries when they meet. If, in the opinion of that committee, which is composed of gentlemen who have more or less acquaintance with matters relating to fisheries, this legislation should be extended to other fish, I shall be very glad indeed that the Bill should be amended in that respect.

Mr. McKENZIE: What I mentioned to the hon. member (Mr. Marcil) was that in my part of the country in the fall of the year large quantities of codfish are caught. They cannot be sun-dried, and are pickled and put up in barrels and sent to the market in that shape, which is termed 'green-cured.' That is what I have in mind.

Mr. LOGGIE: Does this Bill contemplate a specification for the construction of the barrels, which I think is a most important matter?

Mr. HAZEN: It does.

Mr. LOGGIE: How thick are the staves to be?

Mr. HAZEN: I do not wish to take up too much time, but perhaps I had better run over the Bill section by section, that the House may understand the nature of its provisions.

Mr. LEMIEUX: Does not this inpection imply at the same time the proper curing of the fish?

Mr. HAZEN: Yes.

Mr. LEMIEUX: Some years ago the department established curing stations and secured the services of some Scotch experts. I know that in the county of Gaspé the assistance thus afforded was well received. Will the minister maintain that organization?

Mr. HAZEN: My hon. friend will see at once that you will have to have something more than the right sort of barrel; you will have to see that the fish is properly cured.

Mr. LEMIEUX: And to that end you will have to teach the fishermen.

Mr. HAZEN: We will do that as far as possible. The inspectors will go through the districts concerned and will get the fishermen and those interested in fishing together to explain the matter to them. If this were in relation to the agricultural industry, we would call such meetings farmers' institutes. Similar gatherings to the farmers' institutes will be held among the fishermen. A certain amount of missionary work will have to be done before this new system can be brought into successful operation. These inspectors will not only distribute literature showing what the regulations are and what requirements must be complied with before the brand can be placed on the barrels, but will have to explain the matter by word of mouth and answer questions as far as possible, so that the fishermen may have complete and accurate information.

Mr. SINCLAIR: Can the hon. minister give us an idea of the number of inspectors that will be required?

Mr. HAZEN: I cannot tell exactly, but the opinion in the department is that the number to be appointed at the present time will not be large.

4 p.m. Mr. J. J. HUGHES: I have had some experience with these inspectors——

Mr. HAZEN: Perhaps the hon. gentleman will allow me first to explain the Bill.

Mr. McKENZIE: Before the explanation is entered upon will the minister please state whether this measure has been submitted to the Fishermen's union or any opinion obtained upon it from them.

Mr. HAZEN: I do not think so. I know that requests have been made of the department from time to time that something should be done for the purpose of developing the herring fishery to a greater extent than at present. And this measure will apply, as hon. gentlemen know, not only to the East but to the West. There are exceedingly valuable herring fisheries in British Columbia. In some places there the waters teem with herring, but little use is made of them.

Mr. SINCLAIR: Are they the same fish as in the Atlantic ?

Mr. HAZEN: They may not be exactly the same, but they are good fish. The only fisheries that are developed in British Columbia to-day are salmon and halibut fisheries. Very little is done with the herring. This Bill will apply to the Pacific as well as to the Atlantic coast, though results will perhaps be made sooner apparent on the Atlantic than on the Pacific. But it is believed by gentlemen from British Columbia interested in the fishing business with whom I have discussed the matter that there is a great future for the herring industry on the Pacific coast.

Sections 1 and 2 of the Bill are the title

and interpretation clause. Section 3 provides that the Bill shall apply to salted herring, alewives, mackerel and salmon and the barrels or half barrels in which such fish are salted and marketed. It provides that the Governor in Council may extend the provisions of the Bill to any other kind of fish. It may be deemed advisable to extend it to the codfishing industry, though, speaking subject to correction, from what I know of that industry I think that will not be necessary. Section 4 provides that the Governor in Council may appoint a general inspector and other officers for the carrying out of the provisions of the Act. Section 5 prescribes the form of oath of office to be taken by these officers. Under section 6, the Governor in Council may make such regulations, not inconsistent with the provisions of the Act, as to him seem necessary for the carrying out of the provisions of the Act. Section 7 enacts that the brand provided by the Act shall not be put on any barrel containing herring, alewives, mackerel, salmon or any other fish that may hereafter be brought under the provisions of this Act, or on any half barrel of the same, unless such fish have been cured and packed in Canada or on board a Canadian vessel. My hon. friend from Rouville (Mr. Lemieux), I think it was, asked a question about the place of inspection. Section 8 provides that the inspection shall take place at the port or place where such fish may have been cured and packed, provided that when curing and packing have been performed at sea the inspection shall take place at any port of landing in Canada. The system of inspection is as follows: Any curer or packer of the fish referred to, desiring to obtain the brand provided for, shall give notice in writing to the nearest inspecting officer of the number of barrels or half barrels of each of the kinds of fish named which he desires to present to the officer for inspection. The inspecting officer shall require the owner or packer to sign a statutory declaration that the fish were cured and packed in Canada or on board a Canadian vessel or boat within the period prescribed for the various classes of fish by the regulation. The brand prescribed shall not be placed on any barrel or half barrel the capacity of which is not as prescribed under the regulations, and which barrel or half barrel is not made and marked in accordance with such regulations. When these barrels are presented to be inspected they shall be opened and the inspector may remove as many fish as are necessary in order to gain the information required and to make a thorough inspection. If the inspection is satisfactory, the inspector shall place the brand provided for upon the barrel. Inspecting officers may enter curing places. Penalty for unauthorized using of the brand or the falsifying of official documents is provided, and there is a provision that barrels cannot be used without destroying the official brand. Forfeiture of barrels of fish may be enforced in case of alteration or defacing of marks. Section 20 of the Bill provides that in case of dispute arising between any inspecting officer and the owner or packer of fish with regard to the quality or condition of the barrels or the fish they contain, the dispute shall be forthwith referred to another inspecting officer whose decision shall be final, provided that no appeal shall be considered where the identity of the article in dispute has not been preserved. It is provided that the Governor in Council may make rules for re-examination. Penalties are provided for the infraction of the Act, and provision is made for the fixing of venue. Section 26 answers a question that was asked me. It is as follows:

> Nothing contained in this Act shall compel any person to present for inspection any fish or barrels or half barrels in which they are contained.

It is provided that the Act shall come into force on the 1st of May, 1915, but the officers referred to in the Act may be appointed and regulations made at any time after the passing of the Act.

The reason for that is that it is important that between now and the coming into force of the Act the inspectors should be actually travelling through the fishing districts, affording the people information which they ought to have before this Act is put in force, of the actual work of inspection, so that the people may understand the proper steps to be taken.

Then, there is a provision with regard to penalties. As I have said, it is my intention to move, after the second reading, that this Bill be referred to the Committee on Marine and Fisheries. I think that most of the members interested in the fishing industry are members of that committee. Of course, the Bill is absolutely non-political, and it is desirable, in the interest of the preserved fish industry, that the gentlemen who are interested in it should give their best thought and consideration to the Bill with the purpose of perfecting it as far as possible.

Resolution reported and concurred in.

Mr. Hazen thereupon moved for leave to introduce Bill No. 182, to provide for the inspection and branding of pickled fish.

Motion agreed to, and Bill read the first time.

On motion of Mr. Hazen, the Bill was read the second time, and referred to the Committee on Marine and Fisheries.

PENSION TO GUARD'S WIDOW.

On motion of Mr. C. J. Doherty (Minister of Justice), the House went into committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, that it is expedient to grant from the first day of April, 1914, during her natural life, an annual allowance of $500 to Mrs. Alice Joynson, widow of the late J. H. Joynson, in his lifetime a guard in the British Columbia penitentiary, who was killed in the performance of his duty.

Mr. DOHERTY: The Bill which it is intended to found upon this resolution provides an annuity of $500 for Mrs. Alice Joynson, who is mentioned in the resolution. This lady is the widow of a man named Joynson, who was employed as a guard in the British Columbia penitentiary. Something over a year ago, this man was killed in endeavouring to prevent the escape from the penitentiary of two very desperate criminals. In their endeavour to escape, one of the criminals was killed and, very unfortunately, this man Joynson was also killed. I may say that his conduct on the occasion showed what I think may be properly described as conspicuous bravery. These two desperate men had succeeded, in the first place, in depriving one of the guards of the penitentiary, who was in immediate supervision over them, of his revolver, and then, by threatening other guards as they passed through different portions of the penitentiary grounds with this revolver, they succeeded in possessing themselves of the revolvers of those guards too. They had reached the final gates which separated them from liberty and were threatening the guards upon the wall when this man Joynson came to the rescue and at the risk, and, as it proved, at the price of his own life, intervened to prevent the escape. As I said, one of the two men endeavouring to escape was, after the intervention of Joynson, shot by the guard who was upon the wall. The other one was captured and subsequently tried for the murder of Joynson, convicted, and hanged. Mr. Joynson left a widow, who is in poor health and has two or three small children. She is, as I am reliably informed, incapable really of earning her livelihood and has no one to whom she may look for support or assistance. It has seemed to us that this was a deserving case from every point of view. Apart from the needs of this unfortunate woman and her young children, we have been very much influenced by the consideration that bravery such as that displayed by this man in the performance of his duty calls for recognition. It would seem to me in the public interest that guards in our penitentiaries who may be called upon to perform a duty similar to that which this man so courageously performed should have the encouragement of realizing that if, in endeavouring to perform that duty, they sacrifice their lives, those who are dearest to them and are dependent upon them shall not be left in want by their conduct.

Sir WILFRID LAURIER: I certainly will not offer any objection to the resolution, and I think the widow who is to be given this pension is fully entitled to it. Nobody, I am sure, will question the propriety of the Government encouraging bravery such as was shown by this particular officer, but I would suggest that instead of dealing with isolated cases in this way it would be better to have a general law providing that the widow and children of any man who loses his life in the performance of his duty shall be properly rewarded.

Mr. LEMIEUX: I do not wish to offer any objection to the Bill, but I might remind the House and the leader of the Government that the Minister of Justice is more generous than the Postmaster General. Three years ago a mail carrier perished in trying to save the mails during a storm on lake of Two Mountains, between Ottawa and Montreal. He left a widow and five or six children. The case was brought to the notice of the House by the hon. member for Two Mountains (Mr. Ethier). He begged the Government to do something for the widow and children, but the minister refused. More than that, the people of Oka petitioned the Postmaster General to transfer the mail contract, formerly held by her husband to the widow of this man. The petition was turned down, the widow has received nothing, and there she is to-day.

Mr. McKENZIE: I certainly concur in what the minister has said, but there is just one thing I would like to ask, and that is whether any provision is made for the administration of this money. It is quite possible that while this money is voted by Parliament it may not be properly administered, and I would like to bring to the notice of the minister the desirability of having the money put in the hands of a proper person so that it will be spent in a proper way, and perform the functions we hope it to do in the way of looking after this woman and her children.

Mr. DOHERTY: I quite realize the force of what has been said by the right hon. the leader of the Opposition as to the desirability of making some general provision for cases of this kind. We shall probably have to deal with the subject of these institutions very shortly, and I shall bear my right hon. friend's suggestion in mind. This is the method that has been adopted in the past; for instance, in the case of Laviolette, who was warden of St. Vincent de Paul penitentiary. The present case calls for immediate action and justifies our dealing with it by itself, pending the adoption of a general system. I am not in a position to give any information in regard to the case put before the House by the hon. member for Rouville (Mr. Lemieux). With regard to the suggestion of the hon. member for Cape Breton (Mr. McKenzie), I may say that we did consider the matter from that point of view, but on reflection it was thought that as our purpose after all was to give this money to this woman—not to constitute her a ward of the State—we thought we would allow the woman to enjoy in her own way the money that we feel has been honourably and fairly earned. There is no reason to apprehend that she will not make good use of it. The amount of $500 a year goes to the woman herself, and we are obviating the complications that might arise from the appointment of a trustee; and possibly it might be difficult to find a trustee to act gratuitously. The woman appears to us to be competent to be entrusted with this amount, and we feel that we can safely grant the money to her to be used in her own way. We are giving it not as a gratuity, but in recognition, not of course of a legal right, but of a most justifiable claim on the part of this woman, and as payment of a debt of gratitude to the unfortunate man who gave his life in the performance of his duty, and for whom all we can do is to make this modest provision for his widow.

Mr. McKENZIE: Suppose this woman gets married, what then?

Mr. DOHERTY: Even in that case, the fact will remain that her deceased husband deserves this recognition. This is not done merely because the woman is in want. If she were not in want, I think it would be a proper thing to do. I may instance the fact that under the Militia Act the widows of those officers who die while still in office are granted an allowance of an amount similar to this, and all that is required of them in order to be entitled to this amount is that they shall not be wealthy. In this particular case the money is not intended as a mere dole of charity to an indigent person; it is intended as the recognition of a service that I think may be not unfittingly characterized as heroic, at all events as regards the manner in which the act was performed.

Mr. NESBITT: How are the payments to be made? Does the woman get the money annually in a lump sum?

Mr. DOHERTY: The proposition is that the allowance should be paid monthly.

Sir WILFRID LAURIER: I agree with the minister in everything he has said, but I would strongly recommend to him the case brought to his attention by the hon. member for Rouville. It is not in his department, I know, but the circumstances are very much the same. Here is a man who lost his life in the performance of his duty. The circumstances may not have been heroic, but, after all, the case is deserving of attention from the State, which has benefited by the performance of this man's duty. If the hon. minister could prevail on his neighbour, the Postmaster General, to do the same for this man's widow, he would win the gratitude not only of the widow but of every member in this House.

Mr. DOHERTY: I shall be very glad to call his attention to what has been said.

Sir WILFRID LAURIER: Calling his attention to it will not accomplish much.

Resolution reported and concurred in.

Mr. DOHERTY thereupon moved for leave to introduce Bill No. 183, to provide for the payment of a yearly allowance to Mrs. Alice Joynson, widow of the late J.

H. Joynson, a guard in the British Columbia penitentiary.

Motion agreed to, and Bill read the first time.

SUPREME COURT ACT AMENDMENT.

On motion of Mr. Doherty, Bill No. 175, to amend the Supreme Court Act, was read the second time, and the House went into committee thereon, Mr. Blondin in the Chair.

Mr. LEMIEUX: Will the Minister of Justice please explain this Bill?

Mr. DOHERTY: Last year an amendment to the Supreme Court Act was passed, the purpose of which was to remedy a condition existing with regard to appeals in certain cases. The difficulty that called for remedy was that it was held, under the Supreme Court Act as it stood previous to that amendment, that under the definition of a 'final judgment' there was no appeal from a judgment which did not ultimately dispose of the case, even though it might finally determine some substantial right. The result of this holding was that there being no appeal from what in Quebec we would call an interlocutory judgment, a judgment which did not finally terminate the suit though it decided a substantial right, the parties going on after the rendering of that judgment to a final judgment, and having taken an appeal from the final judgment, were in the position that the judgment which had settled the substantial right was not appealable by itself, and that their appeal from the final judgment did not bring up that judgment. They found themselves with an appeal merely from the ultimate or final judgment, which was possibly the necessary consequence of the preceding judgment from which they had no appeal. The amendment of last year so modified the law as to make any judgment which in whole or in part decided any substantial right of the parties to be considered a final judgment for the purposes of the Act. This further amendment is now proposed for the purpose of making the amendment of last year applicable to pending cases begun before the enactment of that amendment, as well as to cases begun after it was enacted. The Supreme Court has held that that amendment was without application to cases instituted before the amendment of last year. It is considered that the provision, granting the right to appeal, should be made applicable to all pending cases without distinction between those which were begun before the passing of the amendment and those which were begun subsequently. The judges in a particular case seem to have held this amendment inapplicable, not by reason of any opinion on their part that it should not properly apply, but merely because they considered themselves bound by judgments that had been rendered in previous cases with regard to analogous situations. One of the judges expressed himself that he would be inclined to treat the amendment of last year as applicable, were it not for these judgments. From the point of view of what is desirable, I think this amendment ought to be recognized as applicable to pending cases. There is an addition which I think ought to be made to the Bill as printed. The Bill is made applicable to all cases, as well those begun before as those begun since the amendment, and I think there should be an addition made to reserve the right of the court to adjudicate as regards costs.

Sir WILFRID LAURIER: Will you require an enactment for that?

Mr. DOHERTY: I am not clear that it is absolutely necessary, but I think it might be wise.

Sir WILFRID LAURIER: I think the provision itself is a very wise one, but I do not think there is necessity for putting it in the statute.

Mr. DOHERTY: I am disposed to agree that it is really not necessary, but I think it may be wise to preclude any possiblity that because the parties proceeding under this amendment succeeded as a matter of law, they ought as a matter of right, to be entitled to the costs. I move that the Bill be amended by adding a second section as follows:

> The costs of any appeal instituted before the passing of this Act in any such action, suit, case, matter, or other judicial proceeding, to which the said paragraph (e) of subsection 2 of the Supreme Court Act, would not, save for the enactment of this Act have been applicable, shall be in the discretion of the court.

Amendment agreed to.

Bill reported, read the third time and passed.

EXPORT OF PETROLEUM.

The House again in Committee on Bill No. 84, to amend the Export Act.—Mr. Reid. Mr. Blondin in the Chair.

Mr. BORDEN: When this Bill was under consideration some time ago, it was suggested that there should be some amendment which would give the House of Commons control at the then next session in respect of any regulations that might be made by the Governor in Council under the provisions of the Bill. I have prepared an amendment which is taken ipsissimis verbis from the Dominion Lands Act in respect to similar powers conferred on the Governor in Council by the provisions of that Act to make regulations in regard to important matters. It seems to me it would be proper to amend this Bill by a similar section, and therefore I move:

That section 7 as proposed be amended by adding thereto sub section 2 in the following words:

2. Every regulation made by the Governor in Council in virtue of this Act shall have force and effect only after it has been published for four consecutive weeks in the Canada Gazette, and every such regulation shall be laid before both Houses of Parliament within the first fifteen days of the session next after the date thereof, and such regulation shall remain in force until the day immediately succeeding the date of prorogation of that session of Parliament and no longer unless during that session it is approved by resolution of both Houses of Parliament.

Mr. OLIVER: I do not think that this amendment, if I remember correctly, touches the point that was in my mind when I raised the question on a former occasion. Section 7 provides:

The Governor in Council may by regulation prohibit the exportation from Canada of petroleum, in its crude or partly manufactured state.

My objection to this section as it stands is that the parties who are to-day proposing to invest in the development of petroleum fields in Canada may be deterred from making such investments by this unlimited, unconditional authority given by Parliament to the Governor in Council to prohibit the export of petroleum, if produced. I am not in any degree objecting to Parliament giving the Governor in Council the right to prohibit the export of petroleum; but I am pointing out the very detrimental effect that the giving of that right unconditionally and without limit must necessarily have on the minds of those whose money is necessary to secure the development of petroleum production. What I urged before was that the exercise of this authority should be made conditional on the existence of specific contingencies, so that the prospective investors would know exactly under what circumstances they would be limited, as this section will give the Governor in Council authority to limit them. Perhaps I do not need to repeat what I said before. We think we are, or hope we are, on the eve of very large and important petroleum developments in Alberta; but those developments have not yet taken place. They may come as the result of a comparatively small investment of capital, or it may be that they will come only after the investment of a very large amount of capital. At the present time capital is being attracted towards those possible oil fields; and I think it will be very unfortunate if, by an Act of Parliament, we tend to deter the investment of capital, as I am sure the terms of the Bill put before the House will do. I again ask the Government to take into consideration the propriety of making the exercise of this authority conditional.

Mr. BORDEN: I remember distinctly the occasion when my hon. friend put forward the reason which he has just now suggested. I found this difficulty in meeting his views as fully as I would have desired, that it is extremely difficult to express conditions in such a way that the section will be effective without leaving matters very much as they are at present. It might be suggested that we could insert in this Bill some such expression as that found in the Militia Act or in the Naval Service Act.

Mr. OLIVER: Yes, I think so.

Mr. BORDEN: I do not think it would be desirable to do that, and I will explain my reasons to my hon. friend. Conditions might arise which, in the opinion of the Government, after consultation with the proper authorities, would justify some such action as this, and it might be undesirable, in the interest of Canada and of the whole empire, that the particular action of the Government should be publicly based upon the consideration which would thus be set forth in the Bill. An explanation has been given in this House of the policy upon which the Government will exercise the powers conferred by this Bill; and, inasmuch as the Government renders itself amenable, with the least possible delay, to have its action in that regard considered by Parliament, I think that on the whole the proposed terms

of the Bill ought not to deter persons proposing to invest. I agree with my hon. friend in what he has said in regard to oil development, with a certain qualification. I would go a little further than he would go, in this respect, that, so far as my limited knowledge leads me to have any opinion on the subject, it would not seem to me possible that any very extensive oil development could take place in Alberta or in any other province of Canada except by means of the investment of large amounts of capital. A discovery of oil may be possible with the expenditure of a moderate amount of capital, if the discoverer happens to have exceedingly good luck; but the prosecution of the discovery of oil, as I understand it from persons with whom I have conversed on the subject on many occasions during the past summer, is proceeded with on thoroughly scientific lines—on geological surveys, and on the consideration of the elements which are usually found where oil is discovered in large quantities. Even when you find from the surveys all the geological indications that oil is present in large quantities, it is nevertheless possible that you may not find it. Now, the prosecution of the search for oil involves a very considerable investment of capital, and, if oil be found, the carrying on of the business of production, as I understand it, involves the investment of further large amounts of capital. A proposal such as this was discussed with some persons who purported to represent, and who, I am credibly informed do represent, large amounts of capital, and I did not find that they were deterred by the proposal that the Governor in Council should be invested with such powers as are set forth in the Bill. That was my experience, and the Minister of the Interior (Mr. Roche), who had even more experience in that regard than I had, derived the same impression from his conversation with these persons. My hon. friend from Edmonton and I have precisely the same object in view. It seemed to me that, for the reasons I have indicated, it would be reasonable that we should meet his views, as provided in this amendment; for no government would for a moment think of placing itself in a position to take action of this kind except for the gravest possible reasons. There is another consideration that I may mention: no government would undertake to exercise powers such as these unless there was need of that particular product for very important purposes. It seems to me that that consideration should be a re-assuring one to those who might be disposed to invest their capital in such enterprises. That itself is a further guarantee. Then, the Government exercising extreme powers of this kind must have regard to private interests which, if affected prejudicially, would be affected for the common good of the whole country.

Sir WILFRID LAURIER: The amendment proposed by my right hon. friend certainly minimizes in great degree the objection we on this side had to the Bill. It does not wholly remove that objection. Our difficulty in the case of this legislation is that it is impossible to conceive why the export of oil should be prohibited. Oil is a commodity that is coming more and more in use, and at the present time, as suggested by my hon. friend from Edmonton, the development is commencing to be more general. New fields have been found in Alberta. These will probably be found profitable; but no doubt with a blanket of this kind on the statute book men may think twice before they invest their capital in these fields; the question will be asked at once by all investors: Why does Parliament contemplate prohibiting the export of oil? As I say, not sufficient reason has been given why such a thing should be contemplated. We have had the resolution debated, we have had the second reading of the Bill and are now in committee upon it, yet nobody has been able to tell us why the Government thought of this measure contemplating the possible prevention of the export of oil. There must be a reason, but what it is I do not know. The only thing stated by my right hon. friend on a previous occasion, was that possibly circumstances might arise that would make it advisable to prevent this export. That is a very vague reason, and the circumstances alluded to seem very, very remote. If that is all, it seems to me the Government is taking a large power in advance of time and for contingencies which may never arise. As I have said, for my part, though I object to the Bill, yet the amendment proposed will minimize my objection. For, if the Government exercise the powers given them by the Bill to prevent the export of oil, their action cannot go beyond

5 p.m.

the summoning of Parliament, and then the matter must be before Parliament and the entire subject will come up for review. That is a safeguard which ought to be effective.

Mr. BORDEN: Perhaps if the Bill should be reported and allowed to stand over for a third reading, I would be pleased to give further consideration to the views of my hon. friend from Edmonton, to ascertain as far as I can whether there is any danger that persons otherwise disposed to invest capital in oil fields would be deterred from doing so by this legislation, and I shall also consider whether qualifications such as have been suggested might be inserted.

Mr. MARCIL: I read in a newspaper some weeks ago that the possible reason for this legislation was the prospective use of petroleum in connection with defence. The British navy, it was said, is going in for warships with oil-burning engines, and the taking of this power is suggested in case difficulty should arise. In the county of Gaspé several efforts have been made to discover oil, and the discovery has been made. Last week I received a letter from one of my constituents saying that oil had been discovered in that part of the country at Port Daniel. I referred the matter to the Department of Mines to investigate, but I have not yet received an answer. Should legislation of this kind injuriously affect the development it would be unfortunate. Beyond doubt, oil exists in the Gaspé peninsula. The Geological Survey has so reported, and the latest discovery to which I have referred adds interest to the subject. Considerable money has already been expended in this matter. The reason for the legislation to which I have referred was only in a newspaper paragraph and may or may not be true.

Mr. BORDEN: I gave such explanation as seemed desirable when I had the opportunity to discuss the Bill before. And I do not know that it is desirable that I should say anything further upon the subject. I said that oil, so far as it might be produced in Canada, might be required for special national purposes, and that representations had been made to us from very important quarters in that regard. Oil has been discovered in more than one province in Canada. It has been discovered in my own province, in the island of Cape Breton, but up to the present time, I believe, not in paying quantities. In Alberta there is strong prospect that it will be discovered in very large quantities. I hope it may be so. On consultation with my colleague, the Minister of the Interior, he corroborates my view that the persons who were here last year and who represent, as we understand and believe, very large amounts of capital were not disposed at all to object to the insertion of a provision of this kind, and will not be deterred from investing capital by the conferring of such powers upon the Governor in Council.

Mr. PARDEE: No doubt the Prime Minister is aware of the fact that nearly all the crude oil that is to-day manufactured into the finished product in Canada comes from the United States. This legislation is being enacted at a time when, so far as the section to which reference has been made is concerned, it is not known whether there is a producing field or not.

It would appear to me, therefore, that this kind of legislation is not desirable, because, if the United States were to retaliate with the same class of legislation and put it into effect, it would cut off the Dominion of Canada very largely from a supply of crude oil. The Canadian oil fields are now falling off so rapidly that they are reduced almost to a minimum, and we are wholly dependent upon the United States for our crude oil supply.

Mr. BORDEN: It is not proposed to exercise this power by way of retaliation, nor except under very grave circumstances which would be supposed to affect the public interest. The legislation was not introduced in this general form at first. It arose out of the fact that certain new regulations were made by the Minister of the Interior in respect of prospecting for oil in the provinces of Alberta and Saskatchewan. In the course of the debate, the hon. member for Guysborough (Mr. Sinclair) pointed out, what was absolutely true, that the reasons were of a general character, and that the resolution should be in a more general form. This legislation had its origin in the fact that the Minister of the Interior, in the regulations lately established for Alberta and Saskatchewan Dominion lands, inserted a provision of this kind with the full concurrence of persons who desired to invest large amounts of capital. But it was found that the powers conferred upon him by the Dominion Lands Act and other statutes did not go this far, and so we are obliged to come to Parliament in order to make effective the

regulations already established by the Department of the Interior.

Mr. OLIVER: I appreciate everything that the Prime Minister has said, but of course he will admit that there is an Alberta point of view as well as an Imperial point of view, and in any further consideration he gives to this measure I would like him to recognize that so far as Alberta is concerned there is a condition of emergency at this moment—that we are on the eve of great expectations and are very timorous as to the possible non-realization of those expectations. I would urge that, unless the empire is going to go completely to smash for lack of oil within the year, the Prime Minister should hold his hand until we see whether or not we shall strike oil in Alberta.

Mr. BORDEN: We will let it stand for a third reading in the meantime.

Bill reported.

PRISONS AND REFORMATORIES ACT AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice) Bill No. 178, to amend the Prisons and Reformatories Act, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

Mr. DOHERTY: The entire purpose of this Bill is to substitute the word 'Truro' for the word 'Halifax' as the location of the reformatory in Nova Scotia.

Bill reported, read the third time and passed.

FALSE ADVERTISEMENTS.

On motion of Hon. C. J. Doherty (Minister of Justice) Bill No. 149, to amend the Criminal Code, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

Mr. DOHERTY: The purpose of this Bill is to constitute false statements, knowingly made in advertisements, an offence where the statement is of a nature to enhance or misrepresent the price or value of any property of any description or any interest in it. The occasion which has led us to think it was desirable that this Bill should be submitted to the House for adoption is that there appears to have grown up a very widespread abuse in connection with the advertising of properties for sale. Of course, every one understands that persons advertising will make the very best of the things they have to sell, and we do not propose to restrict a man's good opinion of his own goods or his right to express it. But the Act proposes to make it a criminal offence for a man knowingly to make a false statement of a nature to deceive people as regards the value of the thing that he has to offer. I have had representations from all parts of the country, and I think more especially from the western provinces, that there was really a system of deception carried on in the advertising of properties for sale, such as townsites. A person under the law as it exists at present is of course liable for obtaining money under false pretences, and I would not undertake to say that if you can connect the actual obtaining of money with the false statements in an advertisement, you could not convict under that law. I would be disposed to think you could. The purpose here is to make it a criminal offence to publish as actually existing facts things that do not exist.

Mr. A. K. MACLEAN: I suppose that would cover the case of a man who advertised his goods as all wool when they were not, or the case of a man who advertised his shoes as the best in the town when such was not the fact.

Mr. DOHERTY: I should think not. Whether his shoes are the best in the town is necessarily a matter of opinion, it is hardly a question of fact. People's opinions differ as to the respective qualities of goods. In the other case mentioned by my hon. friend if a man obtained money by saying that his goods were all wool when really they were not, I think he could be convicted under the law for obtaining money under false pretences.

Mr. LEMIEUX: My hon. friend mentioned real estate. Every one knows that many people—perhaps I am one of them—buy property without seeing it. It is well known that many of my hon. friend's friends have invested in real estate in the West, having been induced to do so by the prospectuses or advertisements issued, or on the representations of the agents. Is it necessary to pass special legislation to protect people who will go blind into buying town lots in the far West without seeing them? Does not the minister think he is protecting a little too much those who ought to protect themselves? Is it not a fact that those who deal in real estate do so more for speculative purposes than for any other? A man will invest money in town lots in the West with the expectation of a rise in

value. Does my hon. friend mean to say that this legislation is made to protect those who, for purely speculative purposes, invest their money in such real estate transactions with the hope of a rise in value in two, three, or four years, as the case may be? I want to be set right on this point, because I have several actions to take under this amendment.

Mr. DOHERTY: The object is not to protect people from going blind into real estate speculation, but to punish the liar who absolutely misstates the facts.

Mr. LEMIEUX: That would apply to a very large section of the community.

Mr. DOHERTY: I am not saying that a very large proportion of the community do that; but if they do they ought to be punished.

Mr. A. K. MACLEAN: Does this amendment apply to selling anything whatever?

Mr. DOHERTY: Yes. The man we want to get at is the man who deliberately lies. If they have no fear of the Lord, we want to put into them a little terror of the law.

Mr. MARCIL: It would apply to patent medicines and things of that kind?

Mr. DOHERTY: It applies to deliberate misstatements of existing facts with regard to any goods.

Mr. MARCIL: I called the attention of the Government a week or so ago to a clear case of swindling in Montreal. A gold-mining company, incorporated by the Dominion Government, published advertisements in Montreal and Quebec about a gold-mining proposition. They held a guessing competition, offering to anybody who paid five cents, and sent in a proper solution of the guess contained in the advertisement, 100 shares in a gold-mining company in Quebec. The person who informed me of this told me on good authority that the first day after the publication of the advertisement 2,000 answers were received at the Montreal post office, the next day 3,000, the next day 4,000, and so on. Two or three weeks afterwards I saw the same advertisement in Quebec papers. This is a case of sheer swindling, such as some papers will not handle. A certain number of patent medicine proprietors would pay almost any price to a newspaper that would publish their advertisements. Would the case I have mentioned come under this Act?

Mr. DOHERTY: I should think it is a clear case of obtaining money by false pretenses, that is, if there is no gold mine in existence and the facts have been deliberately misstated. I am not certain that such a case would not come under the law as it exists at present; it verges very closely on a gambling transaction, but I could not pronounce definitely on that without looking into it. The new law we are proposing would certainly cover the case mentioned by the hon. gentleman if the advertisement contained any false statements as to existing facts.

Mr. MARCIL: The distribution of circulars would not be covered by this?

Mr. DOHERTY: I take it that the distribution of circulars is one method of advertising.

Mr. MARCIL: I would like to read for the benefit of the minister, who is a good French scholar, a copy of a circular sent to me by friends in Montreal to show to what use the Montreal post office is being put:

Firmness-Audacity. Success-Happiness.
French Scientific Bureau.

P.O. Box 169, Hochelaga, Montreal, Canada.
Audaces fortuna juvat.

Montreal, Canada.

Madam,—In going over our books we find that nine only out of the hundreds of people who had written to us, have deferred ordering our marvellous home treatment against self-consciousness, bashfulness and self-diffidence.

You are one of them, and as we have as yet no one in your locality or in that neighbourhood who has been in a position to experience the happy results ensured by our treatment, the Bureau has decided to let you have the benefit of our treatment at a loss, for the sole purpose of advertising it. We shall send you our twelve lessons in 'Auto-Suggestion' with fifty three of our tablets 'Anti-Gêno', the full treatment for one dollar ($1), under the express understanding that you will refrain from imparting this information to any one.

Now then, if you are a sufferer from the thousand inconveniences inflicted by shyness, if you find that you are beaten in the race by your neighbour, though she may not be more clever than yourself, if in love, as well as in business matters you do not attain that measure of success which your sterling qualities would seem to warrant, you alone will be to blame for it. As for us, we have done all that it was in the power of human beings to do.

Please accept our best compliments,

Bureau Scientifique Français.

P.S.—Please address all letters to P.O. Box 169, Hochelaga, Montreal, Canada. All correspondence is considered being strictly confidential.

Order Form.

Bureau Scientifique Français, P.O. Box 169, Hochelaga, Montreal, Canada.

Gentlemen,—You will find herewith $1 for your full home treatment against self-consciousness, bashfulness and self-diffidence (including twelve lessons in 'Auto-Suggestion' and fifty three tablet 'Anti-Gêno' as described in your pamphlet intituled 'The Road to Success'. I agree, moreover, to spread as much as I can a knowledge of your treatment among my friends and acquaintances, when cured.

. . . . . .

Name. . . . . .

. . . . . .

Address. . . . . .

I have reasons to believe that this circular has been distributed by thousands in the working centres of Montreal and as it is a pure case of swindling, I thought it my duty to call the attention of the Government and especially the Postmaster General to it. I would ask the Postmaster General to put an end to the use of the mails for this purpose. I hope that the Minister of Justice will see that the law is applied to a case of this kind. I would like to have an answer from the minister, because I believe that this swindle is going on very extensively in the city of Montreal.

Mr. DOHERTY: You cannot expect me to say offhand what provision of the Criminal Code already in existence is applicable to a case of that kind. I am disposed to think that if on the statement made money was obtained, under the law as it stands now there might be a conviction for obtaining money under false pretenses. In so far as this circular might be said to contain a statement of something as being a fact which is not a fact, I think it would come under this Act. I do not know that it is humanly possible to make legislation that will prevent people exaggerating the qualities of the goods which they offer to sell provided they keep within the limits of an expression of opinion and provided they do not undertake directly and knowingly to misrepresent the facts. I do not know that I could say very much more in regard to that circular. I shall be glad to call the attention of my hon. friend the Postmaster General to what the hon. member has said.

Mr. MARCIL: I thought it my duty to read this circular, because the gentleman who sent it to me takes a great interest in protecting the working classes and the innocent girls who are being swindled.

Mr. DOHERTY: We passed some legislation last session in regard to advertisements of certain medical preparations, and I am inclined to think that a careful examination of the document would show that it came within the provisions of that legislation.

Mr. LEMIEUX: Would the provisions of this Bill apply to those who make false representations during political campaigns?

Mr. R. B. BENNETT: Not unless they sell their services.

Mr. LEMIEUX: During the election in Chateauguay—my hon. friend from Dorchester (Mr. Sévigny) was there—a promise was made solemnly that a bridge would be built by the hon. Minister of Public Works (Mr. Rogers) from Caughnawaga to Lachine. As a result of that, of course, the hon. member for Chateauguay secured a large number of votes. I must say to the credit of the hon. Minister of Public Works that when the question was put the other day by my hon. friend from Laprairie-Napierville (Mr. Lanctot), he said that he had never heard about it before. What would happen if this legislation should pass? Could we use it against the member for Chateauguay who made that promise?

Mr. DOHERTY: I am afraid there are several reasons obvious to my hon. friend why this could not be done.

Mr. GERMAN: I think the Bill of the Minister of Justice is quite right, but I think that one word should be added to it. It says, 'or any interest therein, containing any false statement.' The false statement is a statement in words. The greatest falsity, as far as my observation goes, has been not so much in words as in pictorial advertisements. We have had a considerable boom in real estate in the county and town of Welland and if there was any swindling, as to which I hope there was none, it was in advertising and picturing conditions that did not exist. There are many people in the section of country from which I come who were perhaps not swindled, but who invested money in lands in the Northwest, not by reason of the statements that were made, but by reason of pictorial advertise-

ments. I think that if the section read, 'any false statement or representation,' it would meet the case. The word 'representation' would cover a photograph, for instance, showing a large number of factories, railway trains running in a certain locality, or street cars miles away from the centre of the town. If the hon. gentleman's Bill is to be effective, it should contain not only the words 'false statement,' but the word 'representation.'

Mr. R. B. BENNETT: I had occasion to bring this matter to the attention of the Minister of Justice, at the instance of the advertising clubs which have recently been formed in Edmonton and Calgary. These clubs represent the best newspaper men of western Canada, and they concluded that the use that had been made of their papers had had a very bad effect upon that western country. False statements had been made touching the value of real estate particularly, as the hon. member (Mr. (German) has just said, with the result that many people are suffering very great hardships by reason of investing small sums of money in real estate on highly coloured representations, pictorial and otherwise. The Bill that had been passed by several of the states of the American Union was sent to me, but it went further than we could go in this country by reason of the divided jurisdiction between the provincial legislatures and the federal Parliament. The Bill that has been prepared goes as far as it is possible to go, having regard to the fact that expressions of opinion should not in any event be called criminal.

Mr. EMMERSON: Is the newspaper held responsible?

Mr. BENNETT: This Bill aims only at persons who knowingly publish false statements.

Mr. MARCIL: Do you not think that a newspaper proprietor should use some judgment as to the propriety of the advertisements that are published in his paper?

Mr. BENNETT: It is a rather difficult thing to say that a respectable newspaper man should be held criminally responsible in relation to every advertisement that, in the ordinary course of business, is handed over the counter and paid for. This Bill says:

> Every person who knowingly publishes or causes to be published any advertisement for either directly or indirectly promoting the sale or disposal of any real or personal movable or immovable property, or any interest therein, containing any false statement—

—is liable. I think that will meet the difficulty we have experienced in the West. It gives me much pleasure to say that this Bill has been promoted by the gentlemen who have charge of advertising matters in western Canada—not by any person interested otherwise, but by the press itself. I think the suggestion made by my hon. friend from Welland is a most admirable one, and if the Code, as it now stands, does not cover the point, it should be embodied in the Bill. I am not sure, speaking offhand, whether a pictorial representation would be regarded by the judge as an advertisement. The crux of the offence now constituted is misrepresentation as to real or personal or movable or immovable property by way of advertisement. I think that a picture would be regarded as a part of the advertisement. That view does not quite agree with what the hon. member for Welland has said, but in any event I think we should make provision to meet that case. What he says is certainly true in western Canada. I have seen advertisements sent down to eastern papers containing representations of new towns in which great industrial activity is shown, when, in fact, there was not a single smokestack there.

Mr. DOHERTY: I would be quite willing to accept the suggestion of the hon. member for Welland. I have no doubt that a representation made by a picture should be treated in the same way as an actual statement in words, and even if it be possible that some other disposition might protect us in that regard, there can be no harm in inserting it here. I understand that the suggestion is that the section should be amended by inserting the words 'or representation' after the word 'statement.'

Mr. GERMAN: Yes.

Mr. OLIVER: I am not anxious that newspapers publishing advertisements should be relieved from any fair measure of responsibility, and I understand that the word 'knowingly' is introduced for their protection, but will the minister give some idea to the committee as to how far that word carries protection? A newspaper is an organization for the publication of news, and for giving business publicity, and the individuals who constitute a newspaper organization may have personal knowledge of the falsity of statements contained in an advertisement. How far

would that knowledge of the falsity of the advertisement, on the part of one of the men connected with the newspaper, render the newspaper itself liable?

Mr. DOHERTY: I understand the hon. gentleman has in mind some company or organization that publishes a newspaper?

Mr. OLIVER: Yes.

Mr. DOHERTY: I do not think an enactment of this kind is intended to reach a corporate body, but I do think that any individual participating in the publication, with knowledge that a statement was false, would be liable under this article.

Sir WILFRID LAURIER: Does not the word 'corporation' include any person, under the Criminal Code.

Mr. DOHERTY: I am not prepared to say offhand. If you want to get a corporation convicted for knowingly doing a thing, you must prove that the corporation, in its corporate capacity, knew it. We are dealing with a very special case. The purpose of this law is to get at a person who knowingly publishes a false advertisement, and I do not believe it would be found in the working out, that the newspaper would be so much brought under this provision as the person who advertised. What it says is: Any one who publishes or causes to be published any advertisement. There is a sense in which a newspaper publishes an advertisement, and if you could get any individual who participated in the publication, with knowledge of its falsity, I think he would be liable under the section, and I think he ought to be. If you could charge the corporation with knowledge as a corporation, and prove it, I do not know that you could not get at the corporation.

Mr. OLIVER: It is not directed primarily against newspapers; it is not intended to place restrictions on newspapers.

Mr. KNOWLES: Under this a man is liable before he has had any results from his false advertisement. I think this is very dangerous legislation, and for the reason that there are a great many such clauses in the Criminal Code which are used by speculators and by people who rue their bargains. In my own practice I have defended quite a number of people who have been accused when the purchaser has rued his bargain and is not ready to stand by his speculation. In such cases, the purchaser endeavours to have the vendor restore the money by threatening criminal proceedings, and eventually in some cases criminal proceedings are taken. I went this year to British Columbia to defend a citizen of my own town who was arrested, though innocent, as innocent as could be, on a charge of obtaining money under false pretenses. It is next to impossible to succeed afterwards in an action for malicious prosecution. When you come to take action against a person for malicious prosecution you are met with such hazy conditions that it is impossible to drive your case home. I do not know if my hon. friend from Calgary (Mr. Bennett) happens to have had that experience in his very much larger legal practice, but I sincerely believe it is dangerous legislation and liable to be misused by persons who have had the bad end of a deal. There is always a remedy under the civil law if a man makes a false statement, but irresponsible people will grasp at a provision like this to have a person arrested and perhaps committed for trial, when there is not the slightest foundation for the charge. Grave injury is often done.

Mr. DOHERTY: My hon. friend is suggesting a case where a bargain has been effectively carried out. If there has been a bargain effectively carried out and one of the parties contends that he was led into the bargain and induced to part with his goods or his money by false representation, he may to-day prosecute before the criminal courts. What we are doing here is merely making it an offence for a man to publicly and deliberately lie, and scatter his lies broadcast in an endeavour to inveigle people into investing in worthless things, whether he succeeds or does not succeed: The evil that is sought to be stopped is an evil which in its effects reaches a large number of small investors, none of whom will be sufficiently interested, even if he has the means, to bring criminal prosecution, if you leave the law in a condition where the transaction must have been actually carried out before there is any criminal responsibility. What we want to try to do, if it can be done, is to suppress the lying advertisement without regard to whether the liar succeeds in getting something or not.

Mr. R. B. BENNETT: With what my hon. friend from Moosejaw (Mr. Knowles) has said, I desire to associate myself, because his experience is a common experience in legal practice. But the hon. gentleman has, I think, overlooked one line

in the section which says that the advertisement 'must be of a character likely to, or is intended to enhance the price and value of such property or any interest therein.'

The mere false representation is not sufficient; it must be of a character likely or intended to enhance the value of the property. That, it seems to me, puts it into the hands of a judge, in the case of any prosecutions under this section to determine that there has been a misrepresentation which in fact has enhanced the value of the property or is likely to enhance it. That is the essence of the offence—not a false representation or a false pretense, but a statement of something which is intended or likely to enhance the value of the property.

Mr. MARCIL: The hon. member for Calgary has referred to a newspaper club in the West. I might say that the rural parts of eastern Quebec, last year or the year before, were overrun by agents offering town sites and lots of all kinds in Regina, Calgary, Edmonton and Saskatchewan. Each one made representations that the town in which he was interested was the great town of the future, and so on. In my own riding to my certain knowledge, these agents drew considerable money from the people through these representations, without any further guarantee. I suppose those who have invested in those lots have had no returns so far

Mr. CARVELL: Yes, they will have to pay the taxes.

Mr. MARCIL. The minister has said that these are the smaller investors. He can not expect them to take a trip to the West to lay a complaint, and therefore those people who have been swindled out of their money have no recourse.

Mr. KNOWLES: Practically all the misrepresentations made to these eastern people have been made by eastern agents.

Mr. MARCIL: They are western syndicates.

Mr. KNOWLES: It happens that it is our land about which they are talking; but the liars are, generally speaking, eastern liars.

Mr. DOHERTY: The Bill does not endeavour to locate the liars.

Mr. McKENZIE: I would like to bring to the notice of the minister one thing in regard to this amendment. If this action is to be made a crime, then the minister is creating a new crime. It might possibly be a crime at common law, but it is now by this Bill to be crystallized into a crime under the Code. It is the same kind of a crime as obtaining goods under false pretenses. The minister, I think, stated that it might even be covered by the section of the Code dealing with that. My memory of the section is that the punishment meted out or the manner of procedure in regard to obtaining goods under false pretenses is not the same as is provided here. I would suggest to the minister that, if he is making this a crime, the mode of punishment should be exactly the same as for obtaining goods under false pretenses. If this is to be a crime at all, it is a very serious one. The court should be the same and the procedure also should be the same. This Bill, as it stands, is placing too much responsibility upon a mere magistrate's court, because summary proceedings are provided. A crime of such a serious character should be dealt with by a Superior Court; at least, a man coming under this provision should be allowed to go before a superior court if he desires to do so.

Mr. DOHERTY: What I said in comparing the two offences was that, I thought, as we had now a very well defined doctrine as to what was a false pretense in the case of obtaining goods under false pretenses, that doctrine would find its natural application in the determination of what is a false statement or representation under this Bill. The difference between the two things, it seems to me, is this, that the obtaining of goods by false pretenses deals with an offence that is consummated and carried to its ultimate conclusion, and whereby somebody is actually fradulently deprived of goods or money, whereas, here we are limiting ourselves to the attempt to do that. A man is to be punished here for his advertisement, even though he never makes a dollar out of it. As I think I said before, I am not quite clear that, if to-day an advertisement could be traced as being the direct and immediate cause or the means whereby the person advertising obtained property from another individual, and if the statement upon which he obtained the property could be proven to be false, he could not be prosecuted under the law as it now stands. I am inclined to believe that he could. The purpose of this Bill is to make the false advertising, in itself and by itself, without regard to its successful or unsuccessful re-

sults, an offence. Therefore I think we may fairly differentiate between what after all is an attempt fraudulently to obtain from somebody goods or money and what is an actual accomplished obtaining of somebody's goods or money.

Mr. McKAY: I am in favour of what the hon. minister says with regard to this section creating an offence, but I am afraid that the method of procedure to enforce the penalty, if adopted, is rather dangerous legislation. Following out what the hon. member from Moosejaw (Mr. Knowles) has just stated, namely, that a person who may feel that he has got the worst end of the bargain may take advantage of this section, I notice that it says that the man 'shall be liable upon summary conviction.' If we bear in mind what the procedure with regard to summary convictions is, we see how it adds to the opportunity for getting even with a person who may feel that he has been wronged. In my province—and the same thing holds good in the other provinces, according to my recollection—the procedure is this: If a magistrate has made a conviction and we think the conviction should not stand, the method of appeal is that the informant as well as the convicting magistrate has to be served with a notice of appeal within ten days. It may be that some person from one of the adjoining provinces is the informant. He comes West, lays an information, and, as soon as he gets a conviction, goes back East. If the person desiring to appeal cannot locate him, he cannot serve him within the ten days; consequently he loses his right to appeal; the conviction stands against him, and he goes to jail. It is true, he has a remedy by way of certiorari, but frequently it is very difficult to get a conviction set aside.

Mr. McKENZIE: He is limited by the regulations.

Mr. McKAY: Yes, he cannot go into the merits by way of certiorari; and, by the mere technicality of not being able to find the informant and serve him within the time fixed by the code, he loses his remedy.

Mr. R. B. BENNETT: Service on an agent will do.

Mr. McKAY: The statute says personal service upon the informant as well as upon the magistrate.

Mr. BENNETT: Service on the agent.

Mr. McKAY: I think the statute does not say that service on the agent is sufficient—

[Mr. Doherty.]

speaking from memory. If the statute says there shall be service on the informant, I think it would be well for the minister to consider that portion of the procedure and whether he could not be proceeded against in the usual way by summary or speedy trial, going before the county or district court.

Mr. R. B. BENNETT: The object is to make it as simple as possible.

Mr. McKAY: But there is danger of simplifying to the extent of causing a man to lose his right to appeal. In my limited practice I have had a case of that kind. The man was certainly innocent, yet the only remedy he had was by way of certiorari.

Mr. DOHERTY: If I correctly grasp the objection of the hon. member for Prince Albert (Mr. McKay), that objection would be met if we made some amendment of general application with regard to the delay within which the notice of appeal must be served. With regard to the objection of the hon. member for Cape Breton, there is no doubt it is somewhat difficult to lay down any principle by which you shall determine what shall be an indictable offence and what shall be an offence punishable upon summary conviction. If we went through the code to-day, I do not think the method in which the distinction is made would indicate any principle. As is said by the hon. member for Calgary, the desire is to simplify the procedure, not to make this a heinous offence with extremely severe penalty, but to make it a matter of prosecution before a Criminal Court and provide what is a relatively mild punishment, enforcable in a proper, and we hope, effectual way.

Mr. R. B. BENNETT: It is as a deterrent.

Mr. DOHERTY: As the hon. member suggests, I think that what most of us look to in this measure is its deterrent effect—bringing it home to people that they must not recklessly say anything and everything in an advertisement, but that in their statements of fact they must keep within the limits of the truth—that they must not, in their desire to laud their goods or property, overstep the limits in statements of fact. Of course, there would be a wide field left of exaggeration of their appreciation of the value or advantages of the goods or property they have to offer.

Mr. CARVELL: Once you admit the principle of the amendment I do not see very much objection in the manner of working

it out; for the penalty is not very great. I do not see why you cannot trust the ordinary police magistrate—and most cases of this kind will come before police magistrates—to settle the question whether misrepresentation was made as well as a jury. I would as soon have the decision of an ordinary police magistrate as that of a jury in such a matter. As to the objections of the hon. member for Prince Albert (Mr. McKay), that difficulty will be thrown in the way of appeals, I think the policy should be to discourage appeals. The object, as the minister says, is to provide a deterrent of false statement. I think the Bill is nearly all right.

Mr. KNOWLES: I desire to ask a question. It is a very common thing to advertise a fire sale which is not a fire sale at all but is merely so-called in order to draw the crowd.

Mr. R. B. BENNETT: Not without some fire.

Mr. KNOWLES: No fire whatever—simply open up a store, put in a brand new stock of goods, and advertise a 'fire sale.'

Mr. SEXSMITH: That is among western people, not eastern people.

Mr. KNOWLES: That is not a compliment to the morals of eastern people; if they do not do it, it is only because they are slow. But is anybody hurt by such a thing? The people go there and get better goods than if there had been a fire. Yet, the seller has made a false statement to 'promote a sale,' which is forbidden under the Bill. It is not to 'enhance value' but to 'promote a sale.' But though he is not doing any harm, he would be in violation of this proposed law.

Mr. DOHERTY: Is there any section of the people who would rather have goods that have been through a fire?

Mr. KNOWLES: They think they get better bargains, and so go to the store. The sale is promoted in that way.

Mr. DOHERTY: I had not conceived of the existence of such a thing.

Mr. R. B. BENNETT: You do not want to put a premium upon lying.

At six o'clock the House resumed and then took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

WESTERN DOMINION RAILWAY.

The House in committee on Bill No. 165, respecting the Western Dominion Railway Company and the Alberta Pacific Railway Company, Mr. Blondin in the chair.

Mr. WARNOCK: At the last meeting of the Railway Committee I gave notice that I would ask for information in regard to the financing of this road, and also whether Mr. Edward Bath, of London, England, and Mr. Wm. Peter, of New York, were co-operating in financing the road.

Hon. J. D. REID (Acting Minister of Railways): A telegram was shown me today stating that the contract has been signed and that arrangements have been made for the financing of the road in England. If I remember rightly, Mr. Bath has no connection with the road. The other gentleman has.

Mr. WARNOCK: It has been reported that Mr. Bath was associated with Mr. Peter, the original promoter. As far as the minister knows, Mr. Bath is not associated.

Mr. REID: As far as I know, Mr. Bath is not associated.

Mr. WARNOCK: Has the minister any information as to when they are likely to commence construction?

Mr. REID: No, I have not.

Mr. WARNOCK: Last year it was announced on two or three occasions that the tenders had been let, but what I understood from the statement of the company's agent the other day in the committee was that they were prepared to ask for tenders, but the tenders had not been let. Last year the facts were misrepresented.

Mr. REID: I would think there was every likelihood of their starting almost immediately, because they have arrangements made for the financing of the road, and, having a subsidy which lapses next August, it is altogether likely they will proceed at once in order to be able to hold the subsidy.

Mr. WARNOCK: We have been told so often that financial arrangements have been made. I was asked to oppose the granting of an extension of the charter by a number of settlers located along the proposed road between Calgary and the international boundary; but I am not opposed to the road, we want the road and now that

they have been given a year's extension of time I sincerely hope that they will proceed to construct.

Mr. REID: That information was given to me and I shall urge that they proceed with the work at once. A telegram having been shown me to-day I shall communicate immediately with them and ask them to carry out the promise they have made in their telegram. Perhaps that will have a little effect in inducing them to proceed.

Mr. OLIVER: For what length of road was it said the finances had been arranged for, and what section of the road is it proposed to build?

Mr. REID: The telegram did not go into details; it just said: 'have made financial arrangements for the building of the road.'

Mr. WARNOCK: I think they are bound to commence on the first hundred miles south. That is what the subsidy was given for last year.

Mr. REID: They will commence where the subsidy is given, there is no doubt about that.

Bill reported, read the third time, and passed.

THE W. C. EDWARDS COMPANY.

The House in Committee on Bill No. 132, respecting W. C. Edwards and Company, Limited.—Mr. Fripp. Mr. Blondin in the Chair.

Mr. BOYS: In the absence of the Chairman of the Private Bills Committee and at his request I have been asked to explain the situation of this Bill. When it was before the Private Bills Committee, there was a very considerable discussion. Mr. Pope, secretary of the Hydro-Electric Commission, was there and also the Mayor of Ottawa, Senator Edwards and his solicitor. After a considerable amount of discussion certain amendments were agreed to, and it was finally left to the chairman to put the amendments in shape with the parties interested. But it appears after further consideration, that what was intended by the committee has not been accomplished by the amendment. In so far as the province of Ontario is concerned, the Bill is now made subject to all provincial laws and municipal regulations existing and it was intended that the company should also be made subject to laws existing in other provinces. But it has been found that there are no such laws in some of the other provinces. In submitting that amendment, first the provisions of paragraph 5a were amended and this language was struck out 'and subject to the provisions of section 247 of the Railway Act.' Under that section it is necessary to secure the consent of the municipal council by by-law. That feature has entirely been wiped out in the belief, as the committee had thought, that the language that was inserted, namely, that the exercise of the right should be subject to provincial authority and municipal regulations, would meet the case. But I understand there are no such regulations in some of the provinces. For that reason the company now can go upon the highways of any municipality in any province, except Ontario, and without even the consent of the municipal council, to say nothing of a vote of the people, string a line of poles and distribute electric current for light, heat and power. The promoters of the Bill made no objection to its being referred back to the committee for further consideration, and I beg to move, seconded by Mr. Fisher, that the committee rise and report progress. I understand that later on I will have an opportunity of moving that the Bill be referred back to the committee for further consideration.

Mr. DEVLIN: Have those who appeared for the W. C. Edwards Company before the Private Bills Committee had notice of the intention of my hon. friend and are they agreeable to it?

Mr. BOYS: I am informed by the clerk of the Private Bills Committee that Mr. Green, the solicitor who appeared before the committee, is quite satisfied that this course should be taken.

Mr. OLIVER: What is the purpose of this Bill? I am surprised to hear about stringing wires.

Mr. BOYS: The purpose of the Bill is this: The W. C. Edwards Company, who were incorporated in 1892, principally as a lumber company, desire to distribute electricity for light and power, and the committee thought that, this power being foreign to the original purpose of the company, should be governed by the existing provisions in letters patent in which, I understand there is a standard clause which brings all companies getting letters patent within provincial laws and municipal regulations. That is the difficulty and therefore it is necessary to send this Bill back to the committee in order that the matter may be put right.

Mr. DEVLIN: I was present at the committee when this Bill was before it for consideration. As I understand, any objection that was brought to this Bill was brought by the Hydro-Electric Commission of Ontario. The W. C. Edwards Company tried, as far as they were able, to agree to the terms and conditions imposed by the Hydro-Electric Commission. It is a good commission, I have no doubt. I know very little about the commission except what has been explained, but I do think that in matters of industry, where companies come before this Parliament for charters, this Parliament ought to have the right to give a charter without having to submit to provincial laws. I would like to place myself on record on this matter. I do not want to make any objection to the motion of my hon. friend, but I do not think this Parliament ought to be altogether subject to the Hydro-Electric Commission of Ontario. It is a very bad precedent.

Mr. BURNHAM: As one who took a certain amount of active interest in this matter when it was before the committee, let me say that the question is of the utmost importance to the province of Ontario, for which, however, I do not pretend to speak. But I do speak for the electoral district from which I come. That fact was recognized. The Hydro-Electric Commission were communicated with, and they appeared on the scene at once and maintained stoutly their objection to the general character of the legislation. If there is any likelihood of this Parliament enacting legislation which will conflict seriously with the interests of the people of the province of Ontario, certainly that likelihood ought to be removed if possible. It is a very serious thing for Ontario, and especially for the district from which I come. We are very anxious to safeguard the public interests. They all come to the surface in this Bill. The objections to the Bill that were urged by the Hydro-Electric Commission were finally admitted and the suggested amendments agreed to by the Edwards Company, but, notwithstanding that, it more or less leaves the question open. As to what the hon. gentleman (Mr. Devlin) says, I do not know how far this matter may be settled. There is a question of interprovincial relations; there are legal relations existing between the provinces and the Dominion, but I can say that something ought to be done, if there is any possibility of a risk being run in this particular by which the Dominion regulations, as embodied in statutes, may conflict with the public interests of the people of Ontario.

Mr. BOYS: Just one word in reply to my hon. friend from Wright (Mr. Devlin).

Mr. DEVLIN: I am not objecting.

Mr. BOYS: I do not think that the hon. gentleman understands the situation as it exists at the present time. In view of the conditions in the province of Quebec, this company would not even have to get a by-law through a local municipal council, and I am sure that my hon. friend does not want any such condition of affairs. The proviso in paragraph 5a has been entirely struck out, and the Bill now reads:

> Provided that nothing in this subsection shall authorize the company to construct or operate any lines for the purpose of distributing electricity for lighting, heating or motor purposes, or disposing of surplus power generated by the company's works and not required for the undertaking of the company, upon, along or across any highway or public place, without first obtaining the consent expressed by by-law of the municipality having jurisdiction over such highway or public place.

I am sure my hon. friend does not want to give this, or any other company, power in Quebec or elsewhere to use the highways of any municipality without first getting the consent of the local council. It was thought that the introduction of the words contained in the standard clause, put in letters patent, would protect not only Ontario but other provinces; but owing to a want of similar regulations and statutory authority in other provinces, it is found that they are not protected, and it is merely to protect them that I am asking for the Bill to be sent back to the committee for further consideration.

Mr. OLIVER: Is it usual to grant powers to an industrial company without reference to where the company is going to operate? I have always been under the impression that the field of activity was mentioned in the incorporation of any company of this character. If the activities of this company are confined to Ontario and Quebec, the question of the protection of the rights of municipalities in other provinces does not arise; but certainly if its field of operation is throughout the Dominion, it is in every way desirable that the municipal rights existing in other provinces should be protected, and where they do not exist—and they do not exist in many parts of the western

provinces—the powers of the provincial authorities should certainly be safeguarded.

Progress reported.

On motion of Mr. Boys, Bill No. 132, respecting W. C. Edwards & Company, Limited, was discharged from the Order Paper and referred back to the Select Standing Committee on Miscellaneous Private Bills for further consideration.

TORONTO, NIAGARA AND WESTERN RAILWAY COMPANY.

The House again in Committee on Bill No. 59, respecting the Toronto, Niagara and Western Railway Company.—Mr. Currie. Mr. Blondin in the Chair.

On section 3—limitation:

Mr. CARROLL: An amendment was moved to this by the Chairman of the Railway Committee, and it was held over until the member for South Toronto (Mr. Macdonell) could be here. The hon. member for South Wellington (Mr. Guthrie) is opposing this Bill, but as he is unable to be here to-night, I would like the Bill to stand over.

Mr. MACDONELL: Although I am not authorized to speak for the hon. member for South Wellington, I may say that he told me on two occasions, on Tuesday and again to-day, that he had no desire to participate further in the discussion.

Mr. CARROLL: He did not speak to me to-day about it. There is a very important principle involved in the Bill, and this being Friday night and not more than one-third of the members of the committee being present, I think the Bill should stand over. If there were not an important principle involved the Chairman of the Railway Committee would not have moved the amendment he did.

Mr. MACDONELL: This Bill was three times before the Railway Committee and twice before the Standing Orders Committee, and no Bill this session has received so much discussion and consideration as it has. The Bill passed the Railway Committee by a vote of twenty-five to fourteen, and not later than this evening the promoter of the Bill told me he was quite satisfied to take the Bill with the amendments.

Mr. CARROLL: The fact that the promoters of this Bill assent to its going through as amended does not mean that it is good legislation. I am not pressing that the Bill should stand, but I think it is worthy of further consideration.

Mr. NESBITT: I was one of the twenty-five who voted for the Bill in committee, but I had not then seen clause 7 which says that the railway shall cross only above or below a highway and that in case of dispute between the engineers of the railway and the city, the matter shall be referred to the Railway Board. This clause restricts the Board of Railway Commissioners to putting the railway either over or under the highway, and they have no room to use their judgment.

Mr. CURRIE: The Railway Board has already given a ruling that the railway must go over the highway.

Mr. NESBITT: I was not addressing myself to the hon. member, who we all know knows more than the Railway Board; I was drawing the attention of the hon. member for South Toronto to the fact that the Board of Railway Commissioners are confined to ordering the railway to go over or to go under the highway, while in my opinion the matter should be left to their judgment without restriction.

Mr. MACDONELL: My hon. friend is right in his appreciation of what the Bill means, and that point was discussed ad nauseam in the Railway Committee. The object is that level crossings shall be put an end to in Toronto. The city is now contributing over four million dollars to aid the railways in elevating or depressing their tracks, and when the work now undertaken in Toronto is completed there will be no such thing as a level crossing in that city. The cost to the city, to the railways, and to the Toronto Terminals Company, when the works are completed, will aggregate between twelve million and fifteen million dollars.

Mr. NESBITT: Would any of that money be applied in connection with this railway if it came into the city?

Mr. MACDONELL: I do not think it would but I cannot say offhand. The idea is that there shall be no level crossings in the congested area of the city of Toronto. This line passes over twenty-four streets in the two and a half miles it has already acquired as right-of-way. The intention is that this railway will be compelled to go over or under the highways. If the engineers of the city and of the railway com-

pany cannot agree as to the method of crossing, then the Railway Board is to settle how the railway shall go over or under.

Mr. NESBITT: My hon. friend from Toronto (Mr. Macdonell) is always fair and reasonable, and I wish to call his attention to that point.

Mr. MACDONELL: The best testimony I can give as to this proposal being fair and reasonable is that the railway company have accepted it.

Mr. OLIVER: We agreed to take up this Bill on the understanding that it was not contentious, and it has been found to be contentious, and as it will interfere with passing the other Bills on the Order Paper, I think my hon. friend (Mr. Macdonell) should postpone the consideration of it until Monday.

Mr. MACDONELL: I thought the discussion on the Bill was pretty well finished.

Mr. CARROLL: As I understand it, the Railway Board has already made an order with regard to the entrance of this road into the city of Toronto.

Mr. MACDONELL: They have made an order for the first two and a half miles of this road after it enters the city of Toronto, but that is only half the distance it will travel through the city. It enters at the extreme west, some five miles from the centre of the city, and they have acquired a right-of-way and have had their plans approved by the Railway Board for two and a half miles. That was in 1909 and they have not done anything since. They will doubtless ask for further approval of plans, and, it is only asked that this company be put upon the same basis as all the other railways which have been granted charters to come into the city of Toronto in recent years.

Mr. CARROLL: I understand that it is one of the functions of the Railway Commission to deal with crossings of all kinds. On January 28, 1910, in reference to this very railroad, the Board of Railway Commissioners made the following order:

> That if the tracks of the Canadian Pacific railway are at any time elevated, then the tracks of the applicant shall be likewise elevated along the course of the line where the rights of way lie adjacent to each other, upon such terms as the board may direct; protection to be approved at such crossings as the engineer of the board may require before the road is open for traffic, and if protection is recommended at a crossing any other road is interested in, then the proportion of the cost of such protection is reserved.

Section 7 of the Bill says:

> The railway of the company may be constructed across any such highway, or along any easement acquired for public works in the said city, but only above or below such highway or easement.

The order of the Board of Railway Commissioners distinctly says that, where the Canadian Pacific Railway Company have been compelled to elevate their road in the city of Toronto, this road must do likewise.

Mr. BRISTOL: Is the hon. member aware that the Canadian Pacific Railway Company have now been compelled to raise their tracks in the place of which the hon. member is speaking?

Mr. CARROLL: The Board of Railway Commissioners have not seen fit up to the present time to compel the Canadian Pacific Railway Company to do that.

Mr. BRISTOL: I think my hon. friend is misinformed. The Canadian Pacific Railway Company are elevating their tracks.

Mr. CARROLL: If they are, this railway will be compelled to elevate their tracks, so far as they are running along the Canadian Pacific railway. The order goes further and says:

> That protection is to be provided at such crossings as the chief engineer of the board may direct.

Is it not more proper to have as the judge the chief engineer of the Board of Railway Commissioners, who, I presume, would be an unbiased judge, rather than the engineer of the city of Toronto, who would have a personal interest and prejudice in the matter? If we are going to bring in legislation which will virtually be an appeal from decisions of the Board of Railway Commissioners and render void an order of that board, I am inclined to think that the board will be worthless. The city of Toronto cannot be more impartially looked after than under the order made by the Board of Railway Commissioners on the 28th of January, 1910. The board are very specific. They say that wherever they have compelled the Canadian Pacific Railway Company to elevate their tracks, this road shall do likewise. They say that, where there is more protection asked for at a crossing, the chief engineer of the Board of Railway Commissioners shall be the judge as to whether that protection is

necessary or not. I think we are going a long way to render worthless that order. In this case I am looking at the principle involved. I understand that the railway company is willing that section 7 should stand, but that does not do away with my opposition to the section, because there should be some clear, well-defined distinction as to when we should interfere with the decisions of the Board of Railway Commissioners. I think that is something which hon. members should consider before they adopt section 7.

Mr. OLIVER: Would the hon. member allow the Bill to stand and let us go on with the others?

Mr. MACDONELL: I would like to get the Bill through; but as it is requested that the Bill be allowed to stand, I will certainly agree to that.

Progress reported.

THE PRUDENTIAL LIFE OF CANADA.

The House in Committee on Bill 150, to incorporate the Prudential Life of Canada.—Mr. Nickle. Mr. Blondin in the Chair.

On section 1—incorporation:

Mr. OLIVER: What is the purpose of this Bill? Is it a new incorporation or an amending incorporation?

Mr. NICKLE: The object of the Bill is to give Dominion incorporation to a company hitherto incorporated in the province of Manitoba.

Section agreed to.

On section 7—continuance of officers and by-laws:

Mr. GUTHRIE: From statements made when this Bill was before the committee, and more particularly from statements made by the promoter of the Bill, who said that he would take no responsibility whatever for the financial standing of the company, also from statements appearing in insurance reports in Manitoba, I think the Minister of Finance should look into the affairs of this company rather carefully before any license is issued, because the statements made and the figures given show that this company is as near dissolution and financial disaster as any company can well be. I have received one or two letters on the subject.

Mr. NICKLE: I have no knowledge as an accountant that would enable me to express an opinion that would carry any weight; but when I took charge of the Bill I asked that some evidence be produced to me to show that this company was solvent. Those interested gave me a telegram from Mr. Miles M. Dawson, an actuary of the American Government, who was employed by the Armstrong Commission when they made their inquiry and also by the Canadian Government Commission. That telegram reads as follows:

> I strongly recommend Dominion charter. Your company has ample resources to provide for all liabilities and a handsome surplus. It has secured a good volume of business with exceptionally low mortality and remunerative premiums, which are now sufficient to assure its success under a continuation of prudent and enterprising management.

I would deem it a favour if, before a Dominion license is granted to this company, the Finance Department would conduct the most rigorous examination. I think it only fair to the committee that I should explain that I have no knowledge of its finances except assurances from those in authority and from this actuary that the condition of the company is solvent.

Mr. W. T. WHITE: I think the request of the hon. member for South Wellington (Mr. Guthrie) is only reasonable in view of statements which were made before the Committee on Banking and Commerce when the Bill was under consideration. I have no knowledge whatever as to the standing of the company, because it has not hitherto had Dominion incorporation. It is a Manitoba company. The matter to which my hon. friend from South Wellington has referred was discussed at some length in the committee, and I there made a statement as to the course which would be pursued by the Finance Department before a license would be issued to this company. I think it only fair to say that nothing was proved, at least in my judgment, against the company before the committee. There were assertions and counter assertions but the committee had not the evidence before it of experts on which alone it could reach any conclusion as to the financial condition of the company. Prima facie, therefore, we are entitled to assume that the company's standing is satisfactory. But in view of the charges which have been made yesterday morning, I directed a letter to the superintendent of insurance which I shall now ask to be allowed to place on 'Hansard' because it bears directly upon

the inquiry of the hon. member from South Wellington as to what steps the Finance Department would take, before a license was granted to this company. I did not understand the hon. member to make any specific charges with regard to the financial responsibility of the company, but to say that from information which came before him it would appear to be not overly strong. Yesterday I directed this letter to the superintendent of insurance:

Ottawa, May 7, 1914.

W. Fitzgerald, Esq.,
Superintendent of Insurance,
Ottawa.
Prudential Life of Canada.

Dear Sir,—The Bill respecting this company was passed by the Banking and Commerce Committee this morning. As you are aware certain allegations have been made to the committee calling in question the financial standing of the company whose assets and business are to be acquired by the new company, the Prudential Life of Canada. As minister I was asked to state what would be the requirements of the Insurance Department before a license would be granted to the company and I made the following reply as to the action which would be taken by the Insurance Department:

Re Prudential Life of Canada.

'If this company is incorporated by the Dominion Parliament it will have two years within which to get its license from this department. Before granting such a license the department will visit the head office of the company and make a thorough and complete examination of its affairs. It will make a complete actuarial valuation of all its liabilities, examine its assets, and satisfy itself that its assets exceed its liabilities, other than capital stock, of every kind, by at least $100,000, that is, that it shall show a wholly unimpaired capital of at least $100,000.

'From the assets above mentioned there will be excluded all shareholders' notes for capital or premium on capital as well as all capital or premium unpaid or in course of collection and any agents' balances and outstanding premiums believed by the department to be doubtful or bad. Such assets as these are not allowed according to the standard of this department.

'We will also require that a deposit of $50,000 in Government or municipal securities or other securities acceptable to the Treasury Board be made with the minister, and all the other requirements of the Insurance Act and of its Act of incorporation complied with.'

Please see that before a license is issued to the new company the requirements mentioned are strictly complied with, and in this connection, as the matter has been made the subject of public discussion, I would suggest the advisability of associating with your own officers an outside actuary of reputation and standing in his profession. Please inform the member or members of your staff who may have to make the examination referred to of this instruction on my part so that it may by no chance be overlooked during either your or my absence on vacation or otherwise.

Yours truly,
(Signed) W. T. White.

I think it is only fair to this company to say, as I stated before, that in my judgment nothing was established against them before the committee. The committee, of course, were not in a position to pass upon the financial strength of the company. They could only do that with the assistance of experts. I think that the matter is now in such shape that any one who has to deal with the company will be entitled to rely on the Insurance Department having seen that the terms of that letter are strictly complied with before a license is issued. With reference to one sentence in the letter, I think it entirely unnecessary that any expert assistance should be secured by the Insurance Department, because I have the greatest confidence in the staff of that department; but as the matter has been made the subject of so much discussion before the committee, I thought it would place it beyond all doubt if the course which I recommend were adopted.

9 p.m.

Mr. GUTHRIE: That is entirely satisfactory.

Mr. NESBITT: I am very pleased, because, while I supported the Bill in the committee, I moved an amendment that they should have $100,000 over all liabilities. That amendment was voted down in the committee for certain reasons, and I therefore congratulate the minister on the precaution he has taken, and I am quite satisfied that he will act in the interests of the people.

Mr. SINCLAIR: I do not think that the House ought to depend altogether on a letter written by the Finance Minister to his department. That strikes me as a purely internal matter between the minister and his officers, with which we have nothing to do. We have responsibilities of our own to discharge, and the question in my mind was in regard to the construction of clause 10 of this Bill. In clause 10 it is provided that a new company shall not commence business until at least $100,000 has been paid up on its capital stock.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 164, respecting the Berlin,

Waterloo, Wellesley and Lake Huron Railway Company, and to change its name to The Grand River Railway Company.—Mr. Weichel.

Bill No. 155, for the relief of Bertha Hétu.—Mr. Oliver.

Bill No. 157, for the relief of Elizabeth Chaussé.—Mr. Schaffner.

Bill No. 158, for the relief of Beatrice Mae Stinson Fotheringham.—Mr. McCraney.

Bill No. 159, for the relief of Eva Jane Bateman.—Mr. Douglas.

Bill No. 160, for the relief of Florence Relf.—Mr. Douglas.

TORONTO TERMINALS RAILWAY COMPANY.

Mr. MACDONELL: With the permission of the House, and if it is not too late, I would like to mention the last order on the list of private Bills, Bill No. 172, respecting the Toronto Terminals Railway Company.

Mr. SPEAKER: The time for the consideration of private Bills has expired.

FALSE ADVERTISEMENTS.

The House resumed consideration in committee of Bill No. 179, to amend the Criminal Code.—Mr. Doherty. Mr. Blondin in the chair.

Mr. McKENZIE: I would suggest to the hon. minister that the offence referred to in section 404 is so closely allied to that provided for under this Bill that there should be no difference in the procedure and punishment.

Mr. CURRIE: Carried.

Mr. McKENZIE: The hon. gentleman may know something about making nails, but I should think he should leave the making of laws to those who know something about that profession. Section 405 of the Code provides for the procedure and punishment in the case of an offence defined in section 404. Under the new law there should be the same procedure and the same punishment.

Mr. DOHERTY: I pointed out before six o'clock the difference that I see between the two offences. Section 405 provides for the offence of obtaining goods by false pretenses. Section 404 merely defines what is a false pretense. The offence provided for in section 405 is committed when a person does by false pretense obtain money, goods or other valuable consideration. The offence that I am now dealing with goes no further than the attempt to do this. The offence which this Bill provides for is committed when a person falsely advertises with the view of promoting the sale or disposal of property. So, under this Bill a man may be guilty even though he does not succeed in gaining any advantage whatever. It seems to me that the difference between the offence provided for in this Bill and the offence under section 405 of the Code is clear. In one case a man must actually obtain something, he must get a benefit from his false representation. But in the case provided for in the Bill a man is guilty even though he may never succeed in gaining anything at all.

Mr. BURNHAM: Would the hon. minister mind my asking him if it is not the fact that the Criminal Code and the quasi criminal statutes deal with the details of the moral law? That is to say, would it not be practicable and advisable to lay down in a general way a statutory enactment endorsing the moral law which we all understand, or are supposed to understand, and enacting that one guilty of the infraction of the moral law shall be liable to a penalty, say of imprisonment for not less than ten days and not more than six months? This being provided for the magistrate or other judicial officer before whom the offender is brought may say: I can find nothing in the Code to apply to your case, but you have perpetrated a fraud or infringement of the moral law, and therefore I send you down for ten days. Carrying out that idea in detail, the crimes may be classed as of grade 1, 2, 3 or 4, and suitable penalties provided for each class just as in the Criminal Code, but, strange to say, though in this age we are getting down to first principles, even to defining primal matter, we have not yet got down to the necessity of enunciating first principles of law, at least so far as I am aware. The national law, the international law, the municipal law, and so on, all specify certain things. The criminal law in the same way specifies certain things, but I repeat that no penalty except what is laid down in the Scriptures is provided for an infraction of the moral law. I would ask the minister, therefore, whether he does not consider it possible and advisable to lay down a sort of open penalty which may be made use of when such a case arises for which there is no specified punishment. Many cases, we know, arise for which no punishment is prescribed. Men learned in the law will scratch their heads in vain, and turn up tomes and statutes galore look-

ing for some remedy which they cannot find, all because the general principle itself has not been laid down, and a penalty provided in case of its infraction.

Mr. DOHERTY: The suggestion of the hon. member certainly opens up a very wide field for consideration. At the first glance, what strikes me as being the practical difficulty in applying the suggestion is that it involves the leaving to every magistrate the definition of what is the moral law, and what constitutes a violation. I am afraid we should find that different magistrates would take different views of what the moral law requires of the individual. I might be convicted of a violation of the moral law before one magistrate, and the hon. gentleman having the advantage of appearing before a different magistrate might be acquitted, although we had both done the same thing. It seems to me that is the danger that would attend on the adoption of the suggestion. However, as I said before, there is no doubt that the suggestion opens a very wide field for consideration and if the time should come when we shall deal in a general way with criminal law—and I may say that I think that time is perhaps very near at hand—the suggestion that the hon. member has made certainly will have the consideration that it deserves.

Bill reported, read the third time and passed.

INDIAN ACT AMENDMENT.

The House again in Committee on Bill No. 114, to amend the Indian Act—Mr. Roche. Mr. Blondin in the Chair.

On section 1—power to establish industrial, etc., schools:

Mr. CARVELL: There was to be an amendment, I think, to that clause. I received a letter from the Minister of the Interior a week ago or more making a suggested amendment, but I have not got it in my desk just now.

Mr. BORDEN: We will let the clause stand. The minister happens to be detained this evening, and I am not very familiar with the Bill. I do not propose to go on with any clauses that are controversial.

Section stands.

On section 2—taking land for schools:

Mr. OLIVER: I do not wish to delay the Bill at all, but I think this is really a trivial reason for interfering with what should be considered the sacredness of the right of the Indian to his reserve. There are reasons why there should be such an amendment, but I think the reasons against it are much stronger. This is a provision whereby land on a reserve can be expropriated for school purposes. It is very desirable that there should be a school in certain places, but on the other hand it is very desirable that there should be no interference with the right of the Indian to his land.

Mr. BORDEN: Has the hon. gentleman made known his objections to the minister?

Mr. OLIVER: No, we did not come to that clause before.

Mr. BORDEN: Perhaps the hon. member will state his reasons as fully as he desires, and we will then let the clause stand.

Mr. OLIVER: I am not insisting that it should stand, but I simply wish to put on record my views in regard to it.

Mr. BORDEN: As the hon. gentleman has some consideration which he regards as cogent, I would prefer that the clause stand in order that his observations may receive the consideration of the minister.

Mr. LEMIEUX: I may say for the information of the right hon. gentleman that when this Bill came up the first time I took upon myself to read a communication from the chief of the Caughnawaga band, protesting most vehemently against any expropriation of that reserve. The Caughnawaga Indians have owned their reserve almost from time immemorial. It was given to them, if I mistake not, by Govenor Frontenac under the French regime. The Caughnawaga Indians consider that they should not be threatened with being removed from where they are. They are quite near Montreal and are practically white men. By referring to 'Hansard' when this Bill was first introduced my hon. friend will see the protest of their chief.

Mr. BORDEN: As I understand the object, it is to enable the department to provide facilities for establishing schools for the advantage of the Indians. I would not suppose that any very large area of land is required to be taken for the purpose.

Section stands.

On section 4—withdrawal from band:

Mr OLIVER: There is a feature in connection with section 4 that I am afraid the right hon. the Prime Minister does not

realize. There has been a considerable traffic in half-breed scrip. I do not know whether that traffic still goes on. A half-breed has the right to the issue of 480 acres of scrip. At the price of land it is worth a considerable amount of money, and there have been a great many withdrawals from the Indian bands by members of the bands, who are really half-breeds, having white blood and getting this scrip as half-breeds. It should be understood that a very large proportion of the Indians of the West have an admixture of white blood, so that really they would be entitled to be dealt with as half-breeds but they had chosen to be regarded as Indians and as members of the Indian band, which they were in all particulars except in the mere matter of some admixture of white blood. But in case they had a small admixture of white blood they were entitled to scrip. Therefore, speculators would induce them to withdraw from the band with the result that the scrip would be given to them, then sold to the speculator and the profit would be made by the speculator rather than by the Indian. The effect of this amendment is that when that arrangement is made with the man it will also be effective with his wife, if I understand the meaning of it aright. When the man withdraws from the band the wife is automatically withdrawn. It seems to me that when the man withdraws from the band and is given scrip, the wife is thereby withdrawn under the authority of Parliament and she will almost automatically be entitled to the scrip as well thereby doubling up the advantage of the scrip speculators.

Mr. BORDEN: Are the wives of half-breeds, as well as half-breeds themselves, entitled to the scrip?

Mr. OLIVER: Yes, properly speaking, unless the wife had white blood she would not be entitled to scrip but it seems to me that when you provide that, when her husband withdraws she must withdraw also, you are establishing a situation in which you would almost have to give her the same recognition as her husband. I am not saying that this is not right, I am not seriously objecting to it, but I am putting before the committee the information as to how far-reaching this provision is in a direction that possibly is not contemplated. It may be that under present conditions no scrip is issued. If the issue of scrip has ceased then the objection I see does not exist, but if the scrip is actually issued that condition would continue and I think it would raise considerable objection. It would be well for the minister to look into that side of it before he puts the section through.

Mr. BORDEN: It is quite possible that that particular consideration may have been overlooked. Apparently, as far as I can appreciate the object of the section, it is designed to ensure that the wife of an Indian when withdrawn from the band would have the same status as her husband.

Mr. OLIVER: Yes, which is very proper.

Mr. BORDEN: Which is very proper—just as a wife acquires the domicile or national status of her husband. The considerations which the hon. gentleman has brought to my attention may have been overlooked. I shall ask that the section may be allowed in order that it may have the consideration of the minister.

Section stands.

Section 6 stands.

On section 8—selling, etc., of live stock:

Mr. BORDEN: Has my hon. friend (Mr. Oliver) considered this section?

Mr. OLIVER: I think it is going very far, but I suppose the minister has considered it thoroughly. It prohibits the Indian from selling his live stock. My objection to it would be that it establishes too great a condition of paternalism. It does not give scope to the Indian to grow in his sense of proprietorship, of personal ownership, which is really essential to his progress and civilization. The sense of ownership, after all, is the very foundation of civilization. Ownership, selfishness, which is foreign to the mind of the Indian in his normal condition, is really the foundation of civilization.

Mr. BORDEN: The hon. gentleman considers that it tends to keep the Indians in a condition of tutelage?

Mr. OLIVER: Yes.

Mr. BORDEN: Well, I think we had better let it stand.

Mr. CARVELL: Would not this go so far as to extend to the Indian, say, in the Maritime provinces so that he would not be able to sell his live stock without the consent of the agent?

Mr. BORDEN: It is restricted to the four provinces of Manitoba, Saskatchewan, Alberta and British Columbia.

Mr. CARVELL: It says:

No Indian or non-treaty Indian in the provinces of Manitoba, British Columbia, Saskatchewan or Alberta.

It might be construed to mean a non-treaty Indian in the four provinces and any Indian all over Canada.

Mr. BORDEN: I do not think it would be held to have that meaning.

Mr. CARVELL: It is a subject for consideration. I know that in the Maritime provinces there are some Indians who are trying to lead civilized lives and own property, and it would be a great hardship if these people were not allowed to dispose of their property.

Mr. BORDEN: I do not think it does mean what my hon. friend suggests, but in order to avoid any doubt it might be proper to transpose the words of the section so that it would read:

In the provinces of Manitoba, British Columbia, Saskatchewan or Alberta, no Indian—

Mr. CARVELL: That will make it all right.

Mr. OLIVER: This only applies to live stock that had been given them under treaty, and not to their private property?

Mr. BORDEN: Yes.

Mr. OLIVER: That is better, but it still carries the objection I have raised.

On section 9—restriction Indian dances, etc.:

Mr. OLIVER: As this section reads, it ostensibly is to prevent the engagement of Indians in public shows, except with consent, and I think that is proper, but if it is the intention of the department to prevent their assembling on different reserves for the purpose of participating in their festivals, religious or otherwise, that ought to be specifically stated, and this section ought not to be interpreted to prohibit that. The various bands visit each other on their reservations, to take part in ceremonies, religious or otherwise, but that is in a different class altogether from their participation in a public show for pay. I know there are many people who object to allowing the Indians to participate in their tribal festivals and ceremonies, but, personally, I think it would be an injustice and a wrong to make a statutory provision preventing them from engaging in these traditional customs, to which they are much attached.

Mr. CARVELL: An eastern man naturally wonders why an Indian should not be allowed to join a show and make a few dollars as well as a white man can. There must be some reason for this prohibition, and I would like my hon. friend from Edmonton (Mr. Oliver) to explain.

Mr. OLIVER: The merit of the Indian is in the maintenance of his dignity, and when the Indian consents to join in a public show for money he degrades and demoralizes himself to an extent that would not be present in the case of a white man doing a similar thing. The Indian is either a gentleman or very much the reverse. As long as his dignity is maintained he is a gentleman and he is amenable to reason and argument and good influence, but when he loses his self-respect, and he certainly does lose his self-respect when he makes himself a public show, then he gets to a point where neither the Government nor anybody else can do very much with him or for him. There are exceptions of course, but I think those who are acquainted with the western Indians will agree that their participation in these public exhibitions has a degrading and demoralizing influence on them, whch is very much to their detriment and to the detriment of the Government that is doing the best it can for them. I am aware that very much of what I have said may be argued against permitting them to assemble in their tribal or national festivals, but in the celebration of these ceremonies, while they may look grotesque to us because we do not understand them, they have to the Indians a meaning, and they do not detract from their self-respect or from their dignity, and therefore do not demoralize them to the same degree.

Mr. CARVELL: What is the difference between their dances and tangoing?

Mr. OLIVER: The difference between the white man and the Indian is that the Indian is naturally a gentleman.

Mr. BRADBURY: I endorse what has been so well said by the hon. member for Edmonton. I suppose the intention of the clause must be not to prevent the Indian holding a festival on his own reserve.

Mr. OLIVER: Or going from one reserve to another.

Mr. BRADBURY: Yes. The clause, I suppose, is intended to prevent the Indians from taking part in these public exhibitions, and with that I agree, but if it should be interpreted to prohibit his national and

tribal festivals, then I think it would be harsh and unfair to the Indians. I do not think we have any right to step in and prevent our wards from indulging in these immemorial customs of their race. In so far as it prevents persons from engaging Indians for these public shows, the clause is a good one. Many years ago I happened to be in Ottawa from the West, and the man who had charge of the Indians in one of these shows made a failure of it, and the Indians were stranded. They made their way from some town in Ontario to Ottawa, and I happened to meet them in the corridor and I knew them and they knew me, and they told me their plight. I took them to see the Big Chief, Mr. Dewdney, who was then Minister of the Interior, and he had to take charge of them and send them back to their reserves.

I think the intention of this Bill is to prevent things of that kind from occurring. I hope it is not intended to prevent the Indians from exercising their old customs and privileges on their own reserves or from visiting other reserves. I do not think it would be fair to do that.

Mr. KNOWLES: This Bill seems to prevent them from visiting other reserves. These people must have their pleasure, and if they are to be bound down so that they cannot visit brother and sister Indians on other reserves, they will be very apt to run away altogether. I suppose the department has in mind, for example, such festivals as those that occur at Banff. I have seen them and they are very harmless. I presume it will come within the discretion of the Superintendent General of Indian Affairs to permit the Indians to visit other reserves. I think the Indians ought to be allowed to visit other reserves. These Indian dances are far ahead of the turkey trot and the tango that we have in Ottawa, and we permit these dances. If you go down to the Russell House and buy a cup of tea, you can see white people go through these so-called modern dances that are much inferior to the Indian dances, as far as my judgment goes. Of course, I am not going to say anything against the people who indulge in these dances, because I do not want to step on any one's toes. I would be glad to see preserved and protected the rights of the Indians in their innocent dances, because I think after all they are as good dances as the tango and the turkey trot.

Mr. BORDEN: Of course, those who participate in the turkey trot and the tango, as has been suggested, are not doing so outside of their own reserve.

Mr. KNOWLES: That is the very point I had in mind. In the city of Ottawa people are employed on certain nights of the week—I do not know, because I do not go, but I have been so informed—to dance these dances in public in the restaurants.

Mr. BORDEN: I was regarding the city of Ottawa as a reserve. As far as the purpose of this Bill is concerned, it certainly prohibits an Indian from participating in any Indian dance outside the boundary of his own reserve, except with the consent of the Superintendent General of Indian Affairs, or his authorized agent. How far it may be desirable to go in that regard I am not prepared to say, not having very much knowledge of the evils which are intended to be prevented by this section. In addition to the reasons already adduced by hon. gentlemen who have spoken on the subject, it appears from the explanatory memorandum attached to this section that the preparation for an engagement in the exhibitions, stampedes and pageants alluded to, are very unsettling to the Indians; that the preparations for the celebration of these engagements very often occupies many days and, in some instances, weeks of the Indians' time, at a season of the year which should be spent in sowing or reaping their crops, and that there has been a systematic practice of utilizing the Indians for the profit of persons who are engaged in getting up such shows. The main object of the section, as I understand it, is to prevent that. I do not know to what extent it is desirable that the Indians should participate in ceremonial dances outside of their own reserves. I have no opinion on that whatever. Therefore I should prefer that this section should stand in order that the minister may make fuller explanation, as the subject seems to have engaged the attention of the minister and his officials In any case, the members of the committee will understand that there will be no difficulty at all about the Indians participating in these ceremonials upon their own reserves, and also that there will be no difficulty in their doing so outside of their own reserves with the consent of the Indian agent or of the Superintendent General of Indian Affairs himself. Whether or not a provision of that kind goes too far, I will

leave for the minister to determine and I ask that the section stand.

Section stands.

On section 10—French version of section 135 corrected:

Mr. BORDEN: It seems that there has been some omission in the French version which it is desired to correct.

Section agreed to.

Progress reported.

IRRIGATION ACT AMENDMENT.

On motion of Right Hon. R. L. Borden (Prime Minister), Bill No. 138, to amend the Irrigation Act, was read the second time, and the House went into committee thereon, Mr. Blondin in the Chair.

Mr. BORDEN: I am not very familiar with this Bill, and I propose merely to run over it and examine the sections. Any that require discussion or are of a controversial character, I will ask to stand until the Minister of the Interior is here. Those to which my hon. friends opposite do not see any objection, if there be any such, may be allowed to pass.

Mr. OLIVER: I am very glad of that, because the hon. member for Medicine Hat (Mr. Buchanan), who is most interested in this matter, is not here to-night.

Mr. BORDEN: Would my hon. friend prefer not to take the Bill up at all?

Mr. OLIVER: I have no objection to running through it, as the Prime Minister has said, and anything that we do not consider controversial may go through. Perhaps we would gain something if we ran through this Bill, as long as we are not committed to what we do not understand.

Mr. BORDEN: Certainly not. If we pass any sections that are found afterwards to require further consideration, they may be brought up again.

On section 5—minister may permit diversion of water:

Mr. OLIVER: As to this section, to use a legal phrase, as at present advised, the section does not strike me as being such as I would wish to see. When an application is made to construct irrigation works with a view to securing a license to use water, as the Act stands the applicant must carry out his part of the contract, he must complete the works which he undertakes to construct before the license is granted that will enable him to dispose of the water for which he has applied. But the effect of this proposed section is to allow him to dispose of water before he has completed his irrigation work—that is before he has carried out the contract with the Government requiring expenditure on his part. Suppose I apply for the right to take water and make a contract to construct certain irrigation works. Before I have half finished these works, I may begin to use the water and, though I never finish the works which I undertook to construct, may continue to use the water. That is to say I have the benefit of the contract without having completed it. It does not seem to me that that is a business-like proposition and I do not think it will work out well in practice. I have no doubt that the reason for this section is that in some certain case the applicant has found it difficult to complete his works, or completion has been delayed, there has been a demand for water, and it has been said: What is the difference?—we have got enough of the works constructed to allow a partial use of the water; let us use what we can use and we will finish later on.

Mr. BORDEN: Are these licenses for a definite term?

Mr. OLIVER: No, once issued, they are perpetual. That is the reason why, as the Act has stood, the licenses are not issued until the work is completed. This, it seems to me, breaks in on that principle, and I am afraid it leaves the situation in a condition that, I should say, would not be satisfactorily workable to all interests concerned.

Mr. BORDEN: I suppose the object of this section would be this: During the construction of the works, when partially completed, it might be regarded as in the public interest that water should be used for the purpose of irrigating a certain portion of the land that might otherwise have to await for a considerable period the completion of the work. I see, however, the force of the objection that the hon. gentleman has mentioned.

10 p.m.

Mr. CARVELL: Suppose the water were allowed to be used for a specified period.

Mr. BORDEN: I was just about to suggest that. Some words might be inserted which would subject the license to such conditions as the minister might regard as proper in the public interest, and also the

license could be granted only for a certain term. In the meantime, the section should stand, and the minister will take into consideration the suggestion made.

On section 6—minister may waive public notice:

Mr. KNOWLES: I do not wish to criticise. It is, however, hard to know what some of these sections mean without an explanation. Probably the minister will look at 'Hansard,' and I might mention now that it would be convenient if he would give a short resumé of the purpose of the Bill.

When we are at home, people very often ask us what changes have been made in these Acts. I generally make a practice of looking up 'Hansard' for the speech of the minister on the introduction of the Bill. I am not clear about many of the points that have been gone over to-night. If Mr. Drayton, the chief man in the Immigration Branch, were here, he would probably be able to give the minister the information. For instance, what is meant by 'municipal purposes?' Then, I am hazy about section 6. I have not the slightest suspicion of its being wrong, but it requires some little study and explanation. The right seems to be taken here that the minister may, whenever he considers it expedient, waive the necesssity of public notice for filing the memorial or the memorial and plans. The footnote says this is necessary in comparatively trivial cases where the water is required for washing gravel or taking out ice. That qualification, however, is not in the section of the proposed legislation. I would like to know more particularly the answer to the points I have raised. In Moosejaw, for example, we have had quite a municipal problem. A year ago last winter a company was engaged in taking out ice where it always has been taken out, and all of a sudden an injunction was taken out against them by the Canadian Pacific railway. It appears that the Canadian Pacific railway had some old water licenses for damming the water for their railway operations; and, not for the sake of all the ice which they could take out, but for other reasons, they wished to put a block in the way of these men, and took advantage of this Act to stop them by injunction. A very great wrong might have been done to the city, and possibly was done for all I know, by putting the ice trade into the hands of a nonopoly. They made it possible to take ice from a pond a mile long. Some powers should be taken by the Government to grant relief against any arbitrary assertion of rights that go to the grantee of a water license. I mention that because the explanatory note refers to the cutting of ice.

Mr. BORDEN: I think the hon. gentleman's suggestion that the minister should give an explanation of the whole Bill is a proper one, as the second reading took place by consent and without the usual explanation. I may be able to make this section clear by reading subsection 1 of the present Act, which is as follows:

In the case of applications for water for domestic or irrigation purposes, the minister may, if he sees fit, waive the necessity for filing the plans required by this Act, and may require the applicants to file a memorial only.

It is proposed to amend that by striking out the word 'irrigation' before the word 'purposes,' and then the subsection would be as follows:

In the case of applications for water for domestic or other purposes, the minister may, if he sees fit, waive the necessity for filing the plans required by this Act, and may require the applicants to file a memorial only.

Then there is section 2, which is not touched:

The minister may order that such memorial shall contain all the information necessary to a full and complete understanding of the rights applied for.

The third subsection as proposed, is set forth in the Bill. This section had better stand until the minister comes.

Section stands.

On section 7—S. 29a amended:

Mr. OLIVER: If the explanation in the footnote explains thoroughly, there seems to be no objection to this section; but I would suggest that, instead of the section being drafted as it is, the old section should be repealed and a new section substituted conveying in so many words exactly what the intention is. It makes it much more simple, and I think is better in every way.

Mr. BORDEN: My hon. friend's suggestion is carrying out a principle that I have advocated a great many times myself. I think it is the better way to carry out an amendment in most cases.

Mr. OLIVER: It is for laymen; I do not know how it is for the men of the law.

Section stands.

Progress reported.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

DEPARTMENT OF AGRICULTURE.

Department of Agriculture—For the development of the live stock industry, $400,000.

Mr. MARCIL: The minister will allow me to call attention to a statement in La Patrie to-night. It gives an account of a visit to the horseflesh abattoir in the county of Chambly. I think there are two of them, both in a very flourishing condition. Four to six horses are sent there every day, some to be canned and some to be salted. It is claimed the meat is sent to Sweden. It is also stated that the minister has sent an inspector down there and that he has made a report to the health authorities of Montreal. I would like to know if it is a fact.

Mr. BURRELL: I am afraid I cannot tell my hon. friend. I have no knowledge of one of our inspectors going down there, but I will make inquiries.

Mr. MARCIL: The papers are making such a splurge over this that the people of Montreal are getting frightened. The price of meat is high, I know, but they are not accustomed to eating horseflesh.

Mr. BURRELL: We are not authorized under the Act to deal with horseflesh.

Mr. OLIVER: Notwithstanding the lateness of the session and the amount of legislation we have on hand, I am sure that if there is a business enterprise in Montreal such as my hon. friend mentions, the House will agree to spare the time to pass legislation authorizing the Minister of Agriculture to take the necessary steps.

Mr. MARCIL: There are two of these enterprises in the county of Chambly. The horses are bought at from $8 to $20 a head, and some of them can hardly limp to the abattoir to be knocked down.

Mr. GAUVREAU: La Patrie has a story about it to-night.

Mr. MARCIL: They claim that the meat is exported to Sweden, but we have no guarantee that such is the case.

Mr. OLIVER: I think the minister will realize that this is an emergency.

Hon. J. D. HAZEN: When the Agricultural Estimates were before the House on the 26th February last, there was some discussion with regard to the purchase, or rather the non-purchase, of a property in the county of Carleton for an experimental farm. The hon. member for Carleton made some remarks which reflected on the conduct of two gentlemen in that county, and suggested that the reason the property was not bought in Carleton county was that if it had been a rake-off would have to be paid to Mr. B. F. Smith. I will read what my hon. friend from Carleton said:

> I want to make a correction in the statement I made before dinner, because I want the record to be correct in every way. I said the minister had an offer from Mr. Charles L. Smith to sell 500 acres of land in Woodstock—the very best land that could be required for an experimental farm, including all grades of soil—for $20,000. I am wrong in that. I think the offer the minister has in his department is $30,000. The difficulty was that another gentleman, this time the postmaster at Woodstock, Mr. Norman W. Winslow, was the medium; he was the commission merchant in this case. Mr. Winslow, and as he stated, my opponent, Mr. B. J. Smith, had to have $10,000 as a rake-off, and therefore if the farmer wanted to sell his farm he was compelled to put the price at $30,000 so that the politicians could get $10,000 as a rake-off; he would get but $20,000 for his farm. These are the facts of the case.

I do not propose to enter into any discussion of the matter, but I have been asked by Mr. Winslow and by Mr. Smith, both of whom are reflected on by this statement, to place side by side with that accusation against them the statements which they make in regard to the matter. On the 28th February I received this telegram from Mr. B. F. Smith:

> Hon. J. D. Hazen,
> Minister of Marine and Fisheries,
> Ottawa, Ont.
>
> Referring to the discussion in the Commons on the twenty-sixth instant, as reported in Hansard, regarding the purchase of land in New Brunswick for experimental farm, cowardly allusions made to myself by F. B. Carvell are absolutely false in every particular. Would ask for an investigation.
>
> B. F. Smith.

Later on, Mr. Smith wrote me a private letter dated March 4, but in a subsequent letter, dated March 6, he asked me to read his letter of March 4 to the House, as he has nothing to conceal. This letter reads as follows:

> Hon. J. D. Hazen,
> Ottawa, Canada.
>
> Dear Mr. Hazen,
>
> With reference to the statement which appears in 'Hansard,' made by Carvell, regarding the purchase of land in New Brunswick for experimental farm. I beg to say that the statements, so far as I am concerned, are false, in every particular. I cannot see why he should be allowed to get by with that kind of talk. The files of the Minister of Agriculture will show that I never recommended the purchase

of Charles F. Smith's farm, nor did I ever write to the department regarding it. In fact, I was not favourable to the purchase of it.

Norman Winslow told me, at one time, that Charles F. Smith would retire from the provincial contest, if we would buy his farm. My reply to Winslow, at that time, was that I would not give him a ten cent piece to retire. It seems to me that you should take Carvell to task, on the floor of the House for making statements of this kind. This is the only place that you could do it effectively. It is not right that he should be allowed to make a cowardly attack like this on any one at a distance of 1,000 miles and under the protection of the House.

I understood, from Mr. Winslow that he was writing you fully, with regard to the matter.

Yours very truly,

B. F. Smith.

I also received a letter and telegram from Mr. Winslow. On February 27, 1914, he sent the following telegram from Woodstock:

Hon. J. D. Hazen,
House of Commons,
Ottawa.

Telegram regarding Charles Smith's farm received. Carvell has been misinformed, as it is absolutely untrue that Frank Smith and I, or either of us, endeavoured to make ten thousand dollars rake-off on sale of farm owned by Charles Smith to the Government for experimental purposes. I never at any time asked or wrote Frank Smith to recommend the Government to buy the farm at twenty or thirty thousand dollars, or any other price. Will write you more fully tomorrow.

J. N. W. Winslow.

The letter to which Mr. Winslow refers, dated Woodstock, March 2, 1914, reads as follows:

Hon. J. D. Hazen,
Minister of Marine and Fisheries,
Ottawa.

My Dear Hazen:—

I have read 'Hansard' report of Mr. Carvell's story re the C. L. Smith farm. As I wired you he was misinformed as to the facts. During the session of 1912 it became known that the Government proposed establishing an experimental farm in New Brunswick. I with others in Woodstock were anxious that it should be in Carleton and we asked Frank Smith to urge Carleton County's claims. When talking it over with him he favoured buying it in the Jacksonville district and we named over several farms around the farm formerly known as the G. R. Ketchum farm comprising about 700 acres that we estimated could be bought for about $30,000. I spoke of buying a farm south of Woodstock, between Woodstock and Bull's Creek. Later on I think in April, 1912, C. L. Smith came to me and asked me to do what I could with Frank to get the department to buy his farm. I asked him the price and he said $20,000 for the whole farm, upland and intervale, which he stated contained between 400 and 500 acres. I asked him for an option so as to fix the price. He said he could not give it as he had already listed it for a certain time with another party in town who was to have a commission of 5 per cent. I then asked for particulars and learned he did not want to include in it a certain part of the rear which is known as the Henry Smith farm. I said that if he got $20,000 for the whole of it he would be making a good sale as farms were selling. I agreed with him however that the farm was well situated, being close to town, and as the buildings were A1 and there was about 80 acres of intervale, it was really worth more money and as the price of farms were going up no doubt in a very short time it would sell for very much more. I further stated that as his farm included the intervale off the front of the George Upham farm and about 50 acres off the rear of the Upham farm that I did not think the department would care to buy it in that shape, as they would probably later on want to buy the balance of the Upham farm so as to square up the property, and might have to pay very much more than if bought now. He said Upham would sell and I told him to send Upham to me. Upham called on another day and stated he would sell for either $7,000 or $9,000, I am not sure now which figure. I said I thought his price was high but I would think it over. I did not ask him for an option. I afterwards told Frank Smith the farms could be bought for $30,000. I made up my mind that C. L. Smith would want something more to throw in the Henry Smith farm, but that Upham would drop and the two combined would not cost over the $30,000, and as the two would contain about 700 acres it would mean nearly $42 an acre which would be a good trade for the department and also for them. C. L. Smith gave me as a reason for selling that he wanted to go to Alberta where his boys were farming. Whether Frank Smith ever wrote the department or not I do not know, as I paid no further attention to it. If he did write and stated $30,000 he meant that amount for the combined farms. I enclose a rough sketch which will show you that it was necessary to have both farms. Upham I considered wanted too much for his farm but that Smith's was a purchase at $20,000 and that the two combined were well worth $30,000. I believed then and still believe they would be an excellent site for the purpose intended, as they included both intervale and upland. Later on when the Liberals were trying to form a ticket for the local election which I think was in June, 1912, C. L. Smith who was talked of as one of the candidates alone with Geo. Upham and Andrew McCain, came in to see me a day or two after he had been to Florenceville to see McCain, and asked me to speak to the Conservative executive in regard to some of them buying his farm for $20,000. He said if they would put up a part of the money the balance could be arranged by a mortgage until they could sell it. He also said that if they would buy it, he would immediately go West and not be a candidate, and if he were not in it McCain would not run and there would probably be no opposition ticket in Carleton. I replied that I was not taking any active interest in the local election but would speak to Geo. Balmain who was at that time the president of the Conservative Association. I did speak to him but he replied they would have nothing to do with it. When Mr. Grisdale with Mr. Hubbard came to town, I with others met them on their arrival, but beyond being introduced to Mr.

Grisdale I paid no further attention to them. I believe they with a few others got two motors in the afternoon and drove down to C. L. Smith's farm and possibly further, and also out the Jacksonville road and left on the afternoon train. I did not discuss with Mr. Grisdale any particular farm or prices, for the reason that I had at that time about given up any hopes I ever had of Carleton getting it, as Landry had told Frank Smith, who had asked him for his support, that he favoured Fredericton it being the seat of the Government, etc., etc., and Hubbard I knew myself favoured Fredericton. When Mr. Burrell came down later on I phoned Frank Smith to try to get him to come to Woodstock, and the president of the Board of Trade wired him to come, but he replied he had not time. While he was in Fredericton I believe he arranged to buy the experimental farm below Fredericton. That ended the experimental farm as far as Woodstock was concerned.

Later on in 1913 when the St. John and Quebec railway were ready to grade across Smith's farm, I advised them to buy the farm as Smith was asking too much for the right of way. I tried to get an option for the $20,000 on the whole farm, as you can see by the copy of a letter I wrote him which I enclose. He still wanted to keep out the Henry Smith farm and also wanted what he was claiming for right of way, which was exactly what I wanted to save for the company. I did not get the option and that ended those negotiations.

The arbitrators afterwards awarded him $1,800 for about 3½ acres for the right of way and about two months ago he sold about 10 acres off the north side of his intervale front to the Agricultural Society for $1,900 or about $200 an acre which is $100 an acre more than it is worth. He was at a slimly attended annual meeting of the society last fall elected president, and with a combination he and some others formed engineered the sale to the society at that figure.

Yours very truly,

J. N. W. Winslow.

Following that, is a letter enclosing a sketch of the different properties. I am simply reading the correspondence to the House for this reason: The charge against Mr. Smith and Mr. Winslow was one of a very serious character; they are not in the House to defend themselves; I have no knowledge whatever in regard to the transaction except what is contained in these letters; and it is simply in fairness to these gentlemen that I read these letters in order that their denial may appear in 'Hansard' side by side with the charges which were made by the hon. member for Carleton.

Mr. CARVELL: I am afraid that the gentleman referred to by my hon. friend, Mr. Winslow, has been in so many little land deals around Woodstock since he became postmaster.

Mr. MACDONALD: Is he the postmaster of Woodstock ?

Mr. CARVELL: Yes, he is the postmaster at the present time.

Mr. MACDONALD: What does the Postmaster General say about that ?

Mr. CARVELL: The Postmaster General does not care as long as it is a Tory who is doing these things. Mr. Winslow has stated that he was acting for Mr. B. F. Smith. I make no reference now to what Mr. B. F. Smith may have said. But my hon. friend the Minister of Marine and Fisheries very kindly told me that he had received letters from Mr. Smith and Mr. Winslow which he wanted to read to the House, and, without giving me copies of the letters, he told me that they claimed that the difference between $20,000 and $30,000 included in some way the Upham farm. Inasmuch as the matter might come up in a day or two, I wired to Mr. Smith the general result and I received this letter from him which I purpose placing upon 'Hansard.' Fortunately I have something else beside this, which, I think, will convince the minister that his friends in New Brunswick are very badly muddled over this real estate transfer. I will read the letter first.

Mr. McKENZIE: What Mr. Smith is this?

Mr. CARVELL: This is Mr. C. L. Smith, who owned the farm in question:

Woodstock, N. B., March 9, 1914.

F. B. Carvell, Esq., M.P.,
House of Commons,
Ottawa, Ont.

Dear Frank:

At your request about the selling of my property for an experimental farm.

Mr. Holyoke, a real estate man of the town of Woodstock, told me that he wanted my farm for an experimental farm as the Government was going to have an experimental farm in the province of New Brunswick. I gave him a price of $20,000 for my farm, including the Upham interval.

I hope you will remember that Upham interval and Upham farm are two different transactions entirely. The Upham farm originally was one of the oldest grants on the river St. John, and next south of it was the Smith farm, or the Smith grant. Some years ago, the Upham interval, consisting of about one hundred acres on the front of the Upham farm, was sold to Mr. C. L. Smith, who thus owned not only the Smith homestead which had been in the family for 125 years, but the interval in front of the Upham farm.

Afterwards, I was sent for by Mr. Winslow, postmaster of the town of Woodstock, and he made the same request. I told him that Mr. Holyoke was ahead of him. Mr. Winslow said

that Mr. Holyoke could not put the deal through, as he (Mr. Winslow) had B. F. Smith with him.

Mr. B. F. Smith is the gentleman who now controls the patronage of the county.

Mr. Smith having the patronage of the county, and being with Mr. Winslow, I told Mr. Winslow to go ahead that I wanted to sell the farm. My price was $20,000 including the Upham interval, and I did not care which one sold it. Mr. Winslow took the matter up and Mr. Grisdale of the Department of Agriculture was sent here. I was told by Mr. Winslow that Mr. Grisdale would be here, and that I was to ask him $30,000 for the farm of 400 acres, at $75 an acre, including the Upham interval.

Yours truly,
(Sgd) C. L. Smith.

As far as that goes, we simply have the word of one man against another. I would not have made this statement had I had nothing else than simply the ordinary gossip that may go around the neighbourhood, but I have always tried to back up with documents any statement that I have ever made in this House. I have knowledge obtained from a source which, I think, will satisfy even the Minister of Marine and Fisheries that I was justified in making this statement.

During the summer of 1913 a railway company required a certain portion of the Smith farm for right-of-way, and as they could not agree upon the price it went to arbitration. I was Mr. Smith's solicitor and counsel, and naturally Mr. Smith was trying to make his farm as valuable as he could, because like every other landowner he felt that great damage was being done him, and as the value of the farm played some part, it became important, in my opinion, to show the arbitrators everything that could be shown to give them an idea of the value of the farm and the consequent damage caused by the taking of the right-of-way; this being a stock farm and the pasturage being behind the railway. I have here the record of the case which was decided on sworn testimony. Before I had any idea at all of what Mr. Winslow or Mr. B. F. Smith was going to say, Mr. C. L. Smith, the owner of the farm, gave evidence as to the value of the property. I read from page 29 of the case, part of the evidence of Mr. C. L. Smith:

Q. In your opinion how much will the building of this road across the land as you have described depreciate the saleable value of your property?—A. I say $4,000. I wouldn't have it there for $4,000 if I want to stay there and farm.

Q. Have you had any offers for your farm of late?—A. Yes I had an offer this spring in writing, and one last June, I think.

[Mr. Carvell.]

Q. From whom?—A. Mr. Winslow, postmaster.

Q. Norman Winslow?—A. Yes.

Q. How much?—A. $20,000.

Q. For your whole farm?—A. Yes.

The CHAIRMAN: With the railway there or not there?—A. They would have whatever they got from the right of way.

Mr. CARVELL: Did you have any other offers?—A. Well parties had an option last June for $30,000.

Q. Who did?—A. Mr. Winslow, $75 an acre for 400 acers. No writing about it but he was to have the land for that amount.

Q. Then he came back this year and offered you $20,000?—A. He did.

Q. Did you accept his offer of $20,000?—A. I told him at first that—I didn't understand that he wanted the whole thing, and when he wanted the whole 600 acres I wouldn't let him have it.

Q. How much did you suppose you were offering to sell for the $30,000?—A. The same as a year ago.

Q. How much?—A. 400 acres.

You have there the sworn testimony of Mr. C. L. Smith given in a case, in which this matter about the $10,000 rakeoff played no part whatever, and he said he offered his land to Mr. Winslow for $30,000, including 400 acres.

Mr. HAZEN: Was there any agreement in writing?

Mr. CARVELL: No, it was a verbal offer, as he swears. But the point is that he swears he offered Mr. Winslow 400 acres of his farm, including the Upham intervale, for $30,000. But he says he was only to get $20,000 and the balance was to go to Mr. Smith and Mr. Winslow.

Mr. HAZEN: Where does he say that?

Mr. CARVELL: He says that in the letter.

Mr. HAZEN: That statement is not contained in the evidence.

Mr. CARVELL: The statement is contained in the evidence that he asked $30,000 for 400 acres, and that 400 acres included his main farm and the Uham interval. Mr. Winslow sees the difficulty he is in and he says now that the $30,000 offer was on account of the George W. Upham farm, but that farm never was mentioned.

Mr. HAZEN: How do you know?

Mr. CARVELL: I know it was not because I have the sworn evidence of Mr. C. L. Smith. I will tell my hon. friend more than that. I will tell him that George Upham would be insulted if any one went to him and asked him to sell his

farm for $9,000 or $10,000; he would not sell the remainder of his farm for $15,000. When Mr. Winslow talks about the George Upham farm being included it is a pure fabrication. Mr. Upham is a client of mine; he was also in the courts and we fought out the matter, and we won, I am happy to say. I would know if George Upham ever had any offers for his farm. There is not a particle of this gentleman's business for the last ten years that I have not done for him. My own personal knowledge teaches me that the George Upham farm never was mentioned, and never was dreamed of until this matter was brought up and the postmaster saw he was in rather an unpleasant position in Woodstock, and then he writes this letter to the minister, dragging in the George Upham farm in order to account for the $10,000 rakeoff. I do not want to discuss this matter any further in the absence of the gentleman, neither of whom are here, but I think I have given sufficient evidence—the sworn testimony of Mr. C. L. Smith before this matter was ever thought of—to show that the offer he made to Mr. Grisdale for $30,000 included only the 400 acres of his own farm, and that George Upham's farm never was thought of. I appreciate the position in which Mr. Winslow is. I know that this thing created certain consternation in Woodstock, because a great many people, Conservatives as well as Liberals, believed that if it had not been for the attempt to make a rake-off we would have had the agricultural farm in Woodstock instead of in Fredericton. Naturally, when the matter became known, a good deal of adverse comment was made on it and these gentlemen down there, seeing the box they were in, attempted through the medium of the minister—who I admit is perfectly innocent in the matter—to square the thing and make an explanation, but fortunately we have the sworn evidence of a court of record, given eight or nine months before this thing took place, entirely disproving the whole story. I would say, as a word of advice to my hon. friend (Mr. Hazen), he ought to know both these gentlemen well enough to be a little cautious how he reads letters or telegrams from either of them, to substantiate any proposition which looks a little fishy upon its face.

Mr. HAZEN: It is perfectly clear from what has been stated that my hon. friend (Mr. Carvell) has no charge to make against Mr. Frank Smith in connection with this matter. As the matter appeared on the records of this House, after the statement made by my hon. friend on the 26th of February, any one reading that would come to the conclusion that Mr. Frank Smith, who has been twice a candidate in the county of Carleton, was a party to an arrangement by which an endeavour was being made to obtain a rakeoff of $10,000 on the sale of his farm. The statement of my hon. friend shows that there is absolutely no evidence; that there is absolutely nothing that resembles evidence, to justify any such charge against Mr. Frank Smith. As far as Mr. Smith is concerned there is nothing whatever to in any way reflect upon his conduct in regard to this matter or to show that he had any connection with it in any way whatever.

In regard to the other matter, it would appear from these proceedings, as we have them here to-night, that it is a question of credibility as between Mr Winslow on the one hand and Mr. C. L. Smith on the other.

Mr. CARVELL: Sworn testimony.

Mr. HAZEN: Mr. C. L. Smith I know well, as I also know Mr. Upham and Mr. Winslow well. Knowing Mr. Winslow as I do, I desire to say that I do not believe that Mr. Winslow would deliberately make a statement that was not true in connection with this or any other matter. I have known him for a great many years and that is the opinion I entertain of him. My hon. friend says there is sworn testimony, but that sworn testimony of Mr. Smith was given in connection with another matter altogether when this question was not under consideration. The only statement to the contrary is that made by my hon. friend, that he has been Mr. Upman's solicitor for years and that, if any such offer had been made, he would know about it.

Mr. CARVELL: Does Mr. Winslow state in his letter that Mr. Upham came to him and offered to sell his farm for $8,000 or $9,000?

Mr. HAZEN: That is what I understand.

Mr. CARVELL: It is simply preposterous.

Mr. HAZEN: My hon. friend may state that it is preposterous. I think I am stating the matter correctly.

Mr. CARVELL: I will prove that it is preposterous.

Mr. HAZEN: My hon. friend may say that it is preposterous; but my hon. friend was not there. He does not know; he simply says that nothing of this sort could have occurred, because he has been for a good many years past Mr. Upham's solicitor, and therefore he would have known. I do not think that is a logical deduction from the fact that my hon. friend has been Mr. Upham's solicitor. Mr. Upham might very readily, in connection with his property, have made in the course of conversation offers of which my hon. friend is not aware. Apart from that altogether, if we are to believe Mr. C. L. Smith's evidence given at the time as to the value of the right of way running across his property, we have the statement made by Mr. Smith that there was an option on the property, but that that option was not in writing. In that case it would not be an option at all; it would not have the slightest bearing and effect in law if it had not been reduced to writing and signed by the different parties to the agreement. The option, if we call it an option, is simply a verbal one; there is evidence that there had been a conversation between Mr. Winslow and Mr. Smith with regard to this property; and the matter having never been reduced to writing, no contract having ever been entered into, it seems to me it is easily within the range of probability that there was a misunderstanding between these gentlemen as to what the offer was for, or as to the amount of property embraced in the offer. Under the circumstances, it may be that each gentleman is honestly telling what he believes to be the facts with regard to the matter. We all know that in conversations of this sort, which are not reduced to writing, what mistakes occur, what misunderstandings take place. As I said before, while I am very glad to hear to-night that my hon. friend practically exonerates Mr. Frank Smith from any connection with the matter; I might also say that having known Mr. Winslow since we were boys together, I do not believe he would make any statement that was not a true one with regard to a matter of this kind.

Mr. CARVELL: I think I stated in the beginning that I had no evidence that Mr. Frank Smith was implicated, except what Mr. Winslow told Mr. C. L. Smith. I think my hon. friend will find that I made the statement in February that Mr. Winslow said that Mr. Frank Smith was in it. I did not state that Mr. Frank Smith was in it; I simply stated that Mr. Winslow said that he was. If my hon. friend can take any satisfaction out of that, I gladly give it to him; but I do not want to make any statement or claim about any gentleman at all which might injure him, without being able to prove it to the hilt.

When I come to the Winslow part of the matter, I cannot be so charitable. It is true that my hon. friend says that we have not any evidence here except a verbal statement of one gentleman against the other, and he rather tried to get behind the technical side of it and stated that it was not an option because it was not in writing. I am not arguing that it was a legal option; I am only stating the facts of the case. Mr. Grisdale will be able to tell the minister, if he will ask him, that Mr. C. L. Smith demanded $30,000 for 400 acres of his farm. Mr. Smith swore that he was willing to take $20,000 for it. As my hon. friend seems to have such a high opinion of Mr. Smith, and says that this $30,000 offer included Mr. Upham's farm as well, I do not think I am to be blamed if I give a little professional information I have on this matter. Within half an hour after that offer of $30,000 with $10,000 rake-off was made, I was consulted professionally about the matter. I told Mr. C. L. Smith that he was very foolish to be mixed up in any such transaction, because it would lead only to a scandal, and that I thought he had better write a letter to Mr. Grisdale stating that he would accept $20,000 for his farm. I wanted an experimental farm and I did not want any boodling out of it either. If my hon. friend wants an affidavit as to that fact, I can easily get it from the gentleman who gave it to me. I know what I state here is a fact, namely that Mr. Upham's farm was never though of in connection with the matter. All this talk about including the Upton farm to make up the $10,000 is a pure fabrication.

Mr. HAZEN: I can only tell my hon. friend that, knowing Mr. Winslow as I do, I will unreservedly accept his statements about the matter, until the contrary is proved.

Mr. CARVELL: Knowing him as well as I do, I will place no confidence in him at all.

Mr. HAZEN: Perhaps my hon. friend will place more confidence in Mr. C. L. Smith.

Mr. BURRELL: I would like to say to my hon. friend, because he made the statement before, that the minister had in his possession an offer of $30,000, $10,000 of which was to be a rake-off, that I have looked into the whole matter and I have no offer whatever on the Smith farm.

Mr. CARVELL: It was made to Mr. Grisdale personally.

Mr. BURRELL: What conversation may have taken place between Mr. Grisdale and Mr. Smith I do not know anything about. As to any offer being made to the department, there is no offer at all in the records.

In regard to this item, I might state very briefly how it is made up, so that the hon. members of the committee will be informed. Somewhat over $40,000 of this is planned to be expended, as it has been in the past, in connection with the various winter shows throughout the provinces, including also all the judges of the different shows, whose expenses we pay, the fat-stock shows and stallion shows of each province. The record of performance work is estimated to take about $21,000. In that we have a number of men employed, the breeds of cattle being the Holstein, Ayrshire, Jersey, French Canadian and shorthorn, of which a record is being kept by our different inspectors. The sheep branch takes about $10,000. The poultry division takes about $20,000. I shall be very glad to deal with any of the matters that my hon. friends wish to know about a little later on. Then, there is the horse industry, which takes about $80,000 or $90,000 this year. As regards this, I would like to say a word of explanation to the committee, because it is somewhat of a new departure.

Hon. gentlemen will probably remember that there was a good deal of criticism last year in regard to the action of the department in giving a bonus of $250 apiece for thoroughbred stallions, and it was thought to be somewhat of a discrimination against other breeds. On going into the whole matter and studying it as closely as we could in the department, we came to the conclusion that we had better adopt a different system this year. Accordingly we propose to adopt, in connection with this part of the appropriation, a system somewhat similar to that carried on in England and Scotland, with which system some of my hon. friends are probably familiar.

The conditions relating to horse breeding that at present obtain in Canada seem to warrant the conclusion that the time is opportune for the breeders in each municipality or district to adopt more freely co-operative measures in providing for themselves the service of suitable stallions. It is generally admitted that improvement in breeding methods can be effected most rapidly and conditions permanently remedied by organized effort on the part of the owners of mares. In the past a number of breeders have, by their energy and enterprise, aided greatly in the advancement of the industry, and they deserve every credit for the splendid service they have rendered. Unfortunately, these men have been comparatively few in number and the business has not progressed, therefore, as rapidly as could be desired. It is now felt that by judicious and systematic assistance horse breeding as an industry can be greatly stimulated and benefited. Except in the more favoured districts, improvement in breeding practice has been hindered hitherto through the lack of such concerted action as would enable the farmers to procure and retain the services of good breeding sires. In a majority of sections, breeders wishing to grade up their horses are forced to use whatever stallions may by chance stand for service in their district. Many of these are faulty in conformation and lack in quality, while others, though of better type, remain, either through insufficient patronage or because of failure to leave colts, but a single season in each district. The fact also that there has been no systematic adherence to the use of one breed suggests another reason for the lack of progress in the breeding of high class animals.

It must be recognized, further, that the owner of a valuable horse, after paying for maintenance, insurance, interest on investment and the expense entailed in the collection of his fees, has frequently little left from his outlay, particularly in districts where he has to compete with grade and scrub stallions standing for service at a very low fee. As a result, really high class stallions can be maintained only in districts where the breeding of horses has been given serious and progressive attention. In view of these considerations it is proposed to enter upon a policy which may serve to place the horse breeding industry in Canada in a position comparable to that which it has attained in Great Britain and other European countries. It is believed that by encouraging the organization of breeders' clubs and by enabling such clubs to procure the services of good breeding stallions

under favourable financial conditions, the assistance in this direction can best be provided. The encouragement of community breeding will, naturally, of itself, be productive of useful results. The payment to community organizations of a part of the service fee will it is expected give a permanent stimulus to the hiring of the best stallions that may be procured and, at the same time, promote the development of a comprehensive movement in the interests of this important national industry. With this end in view, We therefore propose to adopt a scheme whereby farmers' clubs or associations will be formed under certain by-laws which will encourage the permanent success of these institutions, and it is proposed the club should guarantee the stallion owners a certatin number of mares at a certain service fee, these mares, of course, to be in good breeding condition and not subject to any disease.

It would be the duty of the secretary of each association, under the rules, to send a copy of the memorandum of agreement to the Live Stock Branch, the minimum service fee to be fixed at $12, all service fees to be collected by the club. The department will undertake to pay twenty-five per cent of the fees to the association on the number of mares guaranteed, which would have to be paid at the end of the season, and a further twenty-five per cent of the fees paid by the association to the stallion owner on the assurance of the mare being in foal. In this way, in practice, we should pay twenty-five per cent to all the associations and they would be left a fairly free hand within the limits I have prescribed. This would be applicable to all breeds. We have had a good many inquiries as to what course we would adopt if we did not continue the policy adopted in the past of subsidizing or bonusing thoroughbreds.

11 p.m.

Mr. WARNOCK: Is it the policy of the department to discontinue the bonus?

Mr. BURRELL: Yes—discontinue it to one special breed, but applying this method to all breeds, believing that it will have in the long run as beneficial effect upon thoroughbreds as upon other breeds, and put the whole on a fairer footing.

Mr. WARNOCK: Will that interfere with the remount policy of which the Minister of Militia spoke?

Mr. BURRELL: Not necessarily at all. Because, as I understand the proposal,—

[Mr. Burrell.]

though I would not undertake to discuss it at this time—it is not finally decided, or if it is decided I would prefer that the Minister of Militia should discuss it. I understand that it is left open for the Government to purchase from any farmer as before.

Mr. WARNOCK: I am sorry the Minister of Militia is not here; but this matter can be taken up again. I understood this breeding ranch will be handed over to the National Bureau of Horsebreeding. And I understand that the National Bureau, the owners of this ranch, undertake to purchase the progeny of these bonused thoroughbred stallions and develop them on the ranch. I think that the doing away with the bonus might interfere with that.

Mr. BURRELL: I cannot say how close the association may be between the National Bureau and any live-stock association, because I am not familiar with that part of it. But while such an association might buy all the foals that are the results of this subsidizing of the thoroughbred, they are still open to buy from any farmers any horses they want to buy for remounts. It would encourage, of course, the development and progress of even the thoroughbreds. I do not see that these matters hang together in any shape or form.

The larger part of the amount we have under discussion, which will be $150,000 or $160,000 is in connection with the purchase and distribution of live-stock throughout the country and very particularly in the West. I would like to say a word or two about that because fault has been found with it. Though I may say frankly to the committee there has been a very strong general endorsation from all quarters of the policy we adopted, yet any government in a work of this kind has to face criticism; it could not well be otherwise, nor do I fail to recognize the advantage of criticism in helping to perfect the plan. Criticism has run along various lines, sometimes that it is not good practice to put in operation on account of hurting the breeders. Some criticism has been on the distribution and some on the prices. We have had it suggested that we are not paying enough for certain animals, which involves the whole policy and I should perhaps consult the wishes of the committee if I were to take up the question of stallions, which has been discussed a good deal.

The primary object of this policy is to supply newly settled districts, where the

people are unable to purchase for themselves, with a good class of pure-bred stallion. The loaning of pure bred sires by the branch enables such districts to discontinue the use of scrub sires. In many cases the local horse stock is nondescript in character, and poor in quality. The introduction of strong, prepotent, pure-bred blood will very materially improve the horses of the localities sharing in the benefits of this policy, in type, size, quality and value. At the same time, farmers in these districts must of necessity be induced to adopt better methods of care and management.

As the farmers in outlying communities are, generally speaking, not experienced horsemen, and as they can best be aided by making it possible for them to produce a goodly number of useful commercial horses, it is felt that, by supplying them with a good class of Canadian bred stallion, as much relative good may be accomplished as if they were furnished with higher priced imported sires. Moreover, to supply the average district with very high priced stallions would be a needless expenditure when it is remembered that the average stallion-keeper has had very little experience in the care and management of high priced animals. Experience in horse breeding is only gained by actual practice.

The supplying of imported stallions to such associations would mean either that the Live Stock branch would have to go into the importing business, and thus interfere very materially with private enterprise, or, on the other hand, the branch would have to purchase from a few private individuals and pay such prices as they saw fit to ask. This would mean the favouring of a few importers, to the disadvantage of the breeders generally, and, as a consequence, to the detriment of our national horse industry. It should be added, also, that Canadian bred stallions, being hardier and acclimatized, leave more and equally as good foals as compared with imported horses.

Should the branch purchase the very best imported stallions that come into the country, or bring them in, these horses would be placed where they would do the least amount of good, while the pure bred breeders of Canada would be deprived of the services of such stallions, and would be forced to use a poorer class of sire on their pure-bred mares. This would result in retrogression rather than improvement. To make possible continued improvement, the very best stallions should go into the studs of the good breeders of the country.

The policy of buying Canadian bred stallions for distribution not only benefits the districts to which they are loaned, but, by providing a market for good home-bred horses, gives also a stimulus to the whole horse-breeding industry. There can be little encouragement to the home breeders to expend valuable time and large sums of money in the production of good horses, if even the home market is denied them. Such a policy would mean that Canada must continue indefinitely to pay tribute to foreign breeders, and would certainly prove the ruin of horse-breeding in Canada. It is only by encouraging in every legitimate way our own industry that the greatest good will result.

It may be safely stated that such sires as are purchased by this branch for distribution are superior to a goodly percentage of the imported stallions. Those who are familiar with the horse industry of the country will not question this statement. In this connection it may be pointed out that the branch purchased five Percheron stallions from Mr. Geo. Lane, of Calgary, These stallions were exhibited at the recent Calgary Winter Show, where they defeated many imported horses, and one of them was awarded the grand championship for the breed. It may further be stated that some of the largest and best breeders and importers of Percherons in Canada exhibited at this show, so that the winning of a championship in such a company, by a Canadian-bred stallion, was certainly an accomplishment of which the breeder may be proud, and which shows also in no unmistakable way the class of Canadian-bred sires that this branch is procuring for distribution.

Mr. WARNOCK: Would the minister state what price he paid for the horses he purchased from Mr. Lane?

Mr. BURRELL: Our price was $600, the maximum price that we pay.

Mr. WARNOCK: I know Mr. Lane's stud of horses very well. He has imported some of the very best Percheron horses that could be purchased in France, and when he took that price for these horses he sold at a very great sacrifice. I know that for the past five or six years he has been selling these home-bred Percheron stallions at from $1,000 to $1,600 each. I have bought a horse from him for which I paid $1,600. I think it was simply his

public-spiritedness that induced him to sell these stallions at that price. He did it for the purpose of keeping out inferior low grade scrubs that would have been brought in had he not agreed to sell those horses to the department, and I think it was an act of very marked public spiritedness on his part. I am very much surprised to hear that he would accept that price.

Mr. BURRELL: It is well to hear that there are public-spirited men who will sell at a sacrifice for the public good.

In the matter of prices paid for Canadian-bred stallions, as compared with those for imported stock, and for Canadian-bred stallions sold at several sales held during the past winter and spring, some figures are given in a table which I shall place on 'Hansard.' It should not be forgotten in a comparison of these prices with those paid by the branch, that the former provide for a credit of six months or a year, while the latter represent cash payment. At the sales reported considerable paper had to be accepted, it being stated in one case that not a dollar was paid over at the time of purchase. The figures are as follows:

Regina sale, March, 1914:

No. of stallions sold, 11.

Highest Price.	Lowest Price.	Average.
$850	$437 50	$563 50

Calgary sale:

	Highest Price.	Lowest Price.	Average.
Clydesdales .	700	475	554 00
Percherons .	535	300	387 00

Total average, $504.

Both these were credit sales.

Toronto Union stock yards sale:

No. of stallions sold, 5.

Highest Price.	Lowest Price.	Average.
$480	$165	$295

Two imported stallions brought $480 and $250 respectively.

A particularly good Canadian-bred, from imported stock, brought $310.

The offering was considerably the best ever offered at this sale.

Smith Falls sale:

No. of stallions sold, 5.

Highest Price.	Lowest Price.	Average.
$340	$165	$234

This does not include a yearling colt which was sold for $80.

I think it quite desirable to place these figures on record showing that although we might fix our maximum price at a higher rate, on the whole the department thinks itself justified, at present at least, in fixing the price it has fixed. The figures at these sales that I have read would seem to justify our price.

Mr. WARNOCK: When this item was up last year I did not offer any criticism.

[Mr. Warnock.]

I felt at the time that it was best to await the practical working out of the policy. My reason for offering a few criticisms to-night is that I have had quite a lot of letters from breeders and farmers in the West pointing out that the policy is not at present satisfactory. I do not wish to be misunderstood and so I would point out that I am not opposed to the farmers of the West, or even of the East, if they cannot get good sires, receiving Government aid. But I think there is a better method than the purchasing of these Canadian bred sires. I think that the maximum price is $600. I do not believe that a stallion, suitable for a sire, can be bought for that price. Pehaps it is possible just at the present time, but in past years it would not have been possible because I find that the Ontario breeders and breeders from south of the line have brought a great many stallions into Alberta and Saskatchewan in the past eight or nine years and they have been selling those horses, in some cases for cash in other cases on two or three years' credit at prices ranging from $1,500 to $4,500.

Mr. BURRELL: Prices on the average horse, as my hon. friend knows, have decreased quite a lot.

Mr. WARNOCK: I have quite a number of cases in mind where they sold as high as $4,500. We have had in the past altogether too many low grade stallions in the western provinces. I think the hon. member for South Ontario will agree with me in that. We have altogether too many low grade stallions, and I think the federal Government is doing a good deal towards perpetuating the use of these low-priced horses by our farmers. The provincial governments of Alberta, Saskatchewan, Manitoba and, I think, Ontario are doing everything in their power to discourage the use of these low grade stallions. In some of the provinces the stallion ordinances have recently been made very rigid and I know that in Alberta it is proposed to take steps, perhaps at the next session of the Legislature, to amend the stallion ordinance and make it much more drastic. The minister has said that his department proposes to purchase Canadian bred sires. I do not quite understand how that would effect the proposal to have a community system.

Mr. BURRELL: I do not think they would conflict at all. We are not going to purchase the stallions at all. That will be a matter for the clubs or associations. As some farmers are not in a position to pay

for the use of a first-class stallion, we are offering to pay to these clubs twenty-five per cent of the fee to encourage the farmers to patronize the best horses.

Mr. WARNOCK: Would that twenty-five per cent be paid to the executive of the association?

Mr. BURRELL: To the secretary.

Mr. WARNOCK: Not direct to the stallion's owner?

Mr. BURRELL: No, the association would have to pay him.

Mr. WARNOCK: One of the objections I have to the present policy of the Government in purchasing stallions is that it is expensive, and I think that in course of time the Government will find itself loaded up with quite a number of sires that are either unproductive, or inferior breeders that will have to be emasculated and sold as work horses at a loss of about $400 a head. Others will be affected with contagious diseases, or disabled by accident and some, of course, will die from natural causes and be a total loss. I believe that the system in Scotland and England is much to be preferred; that is, a system of bonusing the very best sires. That plan is followed by the well-to-do agricultural associations in the various districts. The association offers a bonus or premium of from £50 to £100 sterling, their officers select a suitable sire and arrange with the stallion's owner that the association will regulate the fees. The premium is given to the owner of the sire for the season only. The horse may be selected to travel in the same district the following year, or may go to some other district. We have some excellent imported sires in Alberta, Saskatchewan, and Manitoba, but I wish to speak more particularly of Alberta, where we have some very fine imported sires. I believe the Government could do a great deal of service to the horse-breeding industry by the system of bonusing some of these imported horses. When applications are made by farmers' associations for the use of a horse, a bonus could be given, the association could regulate the fee, and have the horse travel a certain specified district as is done in the United Kingdom.

Mr. W. H. SHARPE: Why would not the horses bred from imported sires be as good as the sires imported?

Mr. WARNOCK: I will explain to my hon. friend. My experience has been—and I think it is the experience of every breeder in Canada—that in order to keep the progeny up to the standard of excellence you must, from time to time, import pure bred stock from the land of origin of these animals, whether it is horses, cattle, sheep, hogs, or any other kind of live-stock. You must get in fresh blood. I think every breeder in this House will agree with me on that.

Mr. BURRELL: Does not my hon. friend agree that it would be better for the individual breeders to import stock for their own establishments?

Mr. WARNOCK: I can quite see the force of the minister's objection to purchasing imported stock, because immediately we should have Canadian dealers going over to the United Kingdom and France—to the native home of whatever particular breed they wanted—and purchasing a lot of very inferior stock. Let me just illustrate that. When the importation of Clydesdales to Canada and the United States was at its height a few years ago—there is quite a large importation now, but not nearly so large as a few years ago—we found that the Scotch and English breeders attempted to keep animals for breeding purposes that would not have made even decent work horses. Many of those animals were sold to Canadian and United States importers, for prices ranging from £50 to £60 sterling. They were brought over to Canada and sold at prices ranging from $1,200 to $2,000 each—a very handsome profit. That is just what would happen now if the department purchased the horses from the importers. What I say is this: Do not purchase at all; simply bonus for the season a good imported horse that is a known breeder, and one that has shown that he breeds true to type. That, in my opinion, would do a great deal more towards benefiting the horse-breeding interests than by purchasing low-grade sires in Canada and distributing them amongst the farmers who may apply for the use of them. I am borne out in that opinion by a resolution which was passed at the Calgary Horse Breeders' Association two or three weeks ago. It was a purely business meeting, having nothing to do with politics; dealing with the matter from a commercial standpoint. As a matter of fact, I think two-thirds of the Calgary Horse Breeders' Association are very strong Tories. The resolution which was passed almost unanimously, reads as follows:

We, the Alberta Horse Breeders' Association, in annual meeting assembled respectfully re-

quest the Hon. Martin Burrell, Dominion Minister of Agriculture, not to distribute any stallions in Alberta.

That resolution was passed almost without a dissenting voice on the 13th April, just about the time of the Calgary spring show.

Then, I have an excerpt here from a paper published in my own constituency, the High River Times, a paper which is not at all unfriendly to the present Government. I presume the editor penned this after the meeting of the Calgary Stockbreeders' Association. It is as follows:

Discouraging Breeders.

If the Dominion Department of Agriculture had for its object the improvement of livestock throughout the country they have evidently missed their mark. During the past year many stallions and bulls have been shipped here in Ontario, and placed in different communities where the homesteader had the privilege of using them. The idea would be a popular one if the class of stock being distributed were as good as Alberta bred and stock from the old country. There has been better stock imported into this province during the last ten years than in any other part of Canada, and it is to be regretted that importers and breeders of Alberta should be so discouraged in the laudable work in which they are engaged.

We understand that $600 is the highest price the department officials will pay Alberta breeders for their pure-bred stallions, and as a result very few choice animals are obtained. The outcome is that an inferior class of breeding stock is being distributed among the farmers. As an evidence of the unpopularity of the move, we may cite the instance of the horse breeders' meeting last week at Calgary, where practically every man present opposed the scheme.

Mr. MORRISON: Is the Horse Breeders' Association of Alberta not largely composed of the importers of horses?

Mr. WARNOCK: All the members, perhaps, have imported horses, but a number of them have imported horses for their own use, not for sale. Others are both importers and breeders.

Mr. BURRELL: I would like to say very frankly that I could read scores and scores of resolutions from all over the West conveying a diametrically opposite opinion, but I do not want to go into a controversial discussion to-night. I think that my hon. friend's own criticisms are very fair, but when it comes to statements of this kind it must be remembered that sometimes resolutions are engineered and sometimes there is a misunderstanding as to the work that is being done. I do not think that statement reflects the general opinion of the people of the West.

[Mr. Warnock.]

Mr. WARNOCK: Of course, the policy has not been very long in vogue I want to be fair. I am referring to draught stallions. With bulls and rams any harm that may be done by a poor sire is very soon eliminated by sending the animals to the block as soon as they are in condition. But it is a different thing with a horse. I have seen very few of the sires sent out by the department, but this year I intend to see as many as possible and form my own opinion. I believe that the minister will give my suggestions a little thought. I hope he will agree with me that the policy of bonusing good, heavy draught sires in the way that the department has been bonusing thoroughbreds in the past will be of far greater benefit to the horse-breeding interests of the West. I have no objection to the bonusing of thoroughbreds; we have a great scarcity of saddle horses and drivers in the West, but if the thoroughbreds should be bonused, the good heavy draught sires ought to be bonused as well.

Mr. MACDONALD: In regard to this question of assistance to better stock breeding, I would like to say to the minister that in my province, as in most of the eastern provinces, we have had for a long period of years a system of agricultural societies in which men meet together and, with a good deal of public spirit, devote themselves to the improvement of stock. I would like to point out to him in all kindness that in dealing with this question of the improvement of stock he ought to utilise this condition. I was very much surprised—personally I do not regard it as of any political significance or as being a disadvantage to me politically—to find that the Conservative local member for my constituency, during the winter, was writing letters to the newspapers announcing this policy of my hon. friend and putting it on as if it were some political arrangement. Letters from my county are to the effect that Conservative farmers are grouping themselves together and applying to my hon. friend to get a bonus for the stock.

Mr. BURRELL: We are not carrying it out along those lines.

Mr. MACDONALD: That is what is going on. I do not regard it as being of any political disadvantage to me because any one foolish enough to be engaged in that silly business would not be elected in the constituency I represent. If the minister is really desirous of making the proposition

a success in our province, we have these organizations that have gone along entirely on non-political lines where men have worked together for the general benefit and if he is in a position to utilise these local agricultural societies he might supplement what is being done by the various provincial governments. Imported stock has been brought into all the provinces in the East, and, in connection with these agricultural societies, there has been a great deal of stock improvement. I think that the minister, if he would act along these lines, would be able to accomplish some good results by supplementing the efforts of the provincial Government.

I take advantage of this opportunity to call the minister's attention to another matter. A friend of mine, Mr. C. S. Campbell, K.C., of Montreal, has been largely interested in horse breeding. He is a well known gentleman who for a long time occupied a high position at the Bar. Becoming interested in the breeding of horses he has devoted himself to matters in connection with that line. He had some correspondence with the minister in regard to the matter. This correspondence was brought down in response to a motion for a return. Although I do not profess to be anything in the way of an expert in regard to this question, the correspondence which he had with the Minister of Customs and the Minister of Agriculture discloses what I think is a very grave defect in regard to the importation of pure bred stock into this country. The minister is familiar with the customs regulation which provides that no thoroughbred stock can be imported for the purpose of improving of stock breeding unless it is accompanied with a certificate from the National Association of Canada or some other association of like standing. Last year Mr. C. S. Campbell communicated with the Department of Customs in regard to this matter and stated that it was his desire and intention to bring in a thoroughbred mare from the United States. He wanted to bring her in free of duty. He wrote to the department for information and they sent him a copy of the customs regulation. I quote from his letter:

> I am advised by the accountant of the National Live Stock Records at Ottawa that the American studbook of thoroughbred horses does not come within the list of recognized thoroughbred records, and I infer from his letter that the English, French, and Australian studbooks would come under the same ban.

If that statement is correct it seems incredible that some Canadian organization should undertake to decree that the certificates or studbooks of every English, French, Australian or American Association of horse-breeders would not be sufficient to permit entry into Canada of a thoroughbred horse free of duty. He goes on to say:

> I was under the impression that the amendment to the regulations had been made with the object of facilitating the import of thoroughbred horses, but if books such as the English, American, and Australian Studbooks, which are recognized all over the world, are not placed by the National Record Committee in the class of books of record recognized as reliable, it is obvious that the importing of thoroughbred horses has not been made any easier by the amended regulations.
>
> I would be obliged if you would let me know whether it is the intention of the Customs Department, under the authority conferred by the minister as to the forms, that a British subject who presents at a port of entry an animal unquestionably thoroughbred, and who also presents registration certificates from such a book as the English, or American studbook, and makes the affidavit required, should be prevented from getting his free entry by the fact that the National Records Committee declines to certify that the English and American studbooks are recognized as reliable authorities.

To that letter my friend Mr. Campbell received the following from Mr. McDougald, the Commissioner of Customs:

> In reply I am to state that under the regulations as formulated by the Government regarding free importation of animals for the improvement of stock, it is necessary on each importation to furnish a certificate stating that the animal is recorded in the Canadian National Records or in a foreign record recognized as reliable by the National Records Committee.

Of course, that left the matter as it was, and apparently Mr. Campbell approached the Department of Agriculture, and it does not appear from this correspondence, but from what he tells me personally, he has not been able to get any change from that interpretation which, to use his own language, puts under the ban the certificate from the English, Australian and American studbooks. He writes to the Minister of Customs, and, after referring to the fact that he had received this letter from the Commissioner, he says:

> It appears that I am by the Order in Council entitled to enter an animal duty free if I furnish an import certificate stating that the animal is recorded in a Canadian National record or in a foreign record recognized as reliable by the Canadian National Record Committee.
>
> This proposition seemed to me to be absolutely fair and calculated to remove some serious difficulties that lay in the way of importers under the previous regulations. It never occured to me, nor do I believe now, that it was the intention of the Government in passing the Order in Council that I should be placed in the power of the National Record Committee to

exercise its duty of recognizing a foreign record as reliable or refusing it as a mere instrument to obstruct the importation of stock.

Probably ninety per cent or more of the thoroughbred stock in Canada are registered in the American studbook, a book which is recognized as reliable throughout the civilized world. Those who do not trace to this book, trace to the British studbook, a book, if possible, of still higher standing.

The Canadian Thoroughbred Register, which seems to be controlled by the National Record Committee, takes up the pedigree of an animal out of the British or American studbook and continues it, and it is inconceivable therefore that in good faith the National Record Committee could refuse to recognize the British and Amerian studbooks as reliable.

On application, however, to the accountant of the Canadian Live Stock Records, he advises me as follows:—'The accompanying booklet, (a pamphlet printed by Taylor Brothers, Queen street, Ottawa, Canada, 1913) beginning on page 37 shows a list of Canadian books of record, and beginning on page 39 is a list of recognized foreign books of record, consequently the American studbook does not come under the list of recognized foreign records.' A very widely signed petition was sent to the Minister of Agriculture from this district, signed by importers and breeders of thoroughbred stock, and by members of the Montreal Jockey Club, representing that the difficulty of getting thoroughbred stock were enormously increased by the obstacles that were placed in the way of the would-be importer by the then existing regulations, and it has been understood that the new Order in Council was intended to accede to their wishes and to enable the purchaser of a thoroughbred animal abroad to bring it with certificates which showed it to be a thoroughbred to the port of entry and there to enter it free of duty if the certificate was the certificate of a reliable foreign book of record, the importer making affidavit as to the identity of the animal.

You will see that the present attitude of the National Record Committee makes such a system impossible and remits the importer to the same position of difficulty that he stood in before the new regulations.

My friend Mr. Campbell also addressed the Minister of Agriculture and practically at the same time he received a letter from the Minister of Customs acknowledging the receipt of this letter and stating that his letter had been transferred to the Minister of Agriculture. He wrote the Minister of Agriculture in the following terms, under date 30th May, 1913:

Montreal, May 13, 1913.

The Honourable,
The Minister of Agriculture,
Ottawa, Ont.

Sir:

I have the honour to enclose you herewith for your information copy of letter sent by me this day to Mr. D. Macrae of Guelph, a director of the Canadian Thoroughbred Horse Society.

It struck me as peculiar that a gentleman in Mr. Macrae's position saw no further into the question than to suggest that a difficulty about the fees was at the bottom of the discussion.

[Mr. Macdonald.]

Anybody who knows Mr. Campbell knows what a splendid personal character he is and how truly unselfish he has been in regard to this question of stock, and indeed in every walk of life, and they will agree that for any one to think that he was quibbling about a question of fees is simply ridiculous. The letter continues:

I have been at some pains to endeavour to make it clear to him that this is not so, and it occurred to me that it might be advantageous to importers in this province if you had the same information before you.

I am to-day in receipt of a letter from the accountant of the Canadian National Live Stock Records which I frankly confess I am unable to understand. The Order in Council certainly grants free entry to animals that are recorded in the Canadian register or in a register recognized as reliable by the National Record Committee. This committee's accountant writes me 'It is not within the jurisdiction of the Record Committee to say in connection with the issuing of import certificates for free customs entry that the English, French, American or Australian Thoroughbred Studbooks are recognized foreign records. The reason of this is that these records are taken care of by the Canadian Thoroughbred Horse Society.

Upon what authority the National Board Committee can transfer its authority to the Canadian Thoroughbred Horse Society, I do not know. Colonel Hendrie, president of the society, admits that his register is obstructing duty free importations. If the National Record Committee has abdicated its functions and allows its accountant to remain under the impression that the business is to be taken care of by the Canadian Thoroughbred Horse Society it is quite easy to see how and why my importations are obstructed and also to make it clear that except action be taken by yourself I shall be left without any other remedy than to pay the duty and endeavour to recover the cost of it from Mr. Brant.

I have the honour to be, Sir,
Your obedient servant,
C. S. Campbell.

The Minister of Agriculture is familiar with this matter, and all the correspondence I need not read in detail. But finally on the 30th of July last year Mr. Campbell wrote to the Deputy Minister of Agriculture:

I have parted with 'Long Ago,' the mare I had in the States, and have made arrangements to return 'Brynwood' to the States. Will you kindly, therefore, return me the certificate I sent you in mine of July 8.

So far as I can see it the situation is such that there is no inducement to attempt to bring in new stock and a great many reasons for not attempting it, and as without new stock the possibility of meeting the American competition on an equal footing is taken away from us, I have concluded to give up breeding in Canada.

Mr. Campbell is a son of Sir Alexander Campbell, former Minister of Justice of Canada. Mr. Campbell is animated by the highest motives, and no one would think of

attributing to him any selfish idea in regard to the matter. Having leisure and means at his command, he laudably, with the idea of improving horse-breeding in Canada, entered into importing thoroughbred stock and raising thoroughbred animals. When he did so he found that by the operation of the Order in Council, when he went to England and when he went to the United States and got mares or stallions, the status of which was recognized by the studbooks of those countries, and brought them into Canada, he could not get them in free of duty, and was thus debarred from the encouragement which the country ought to give to the importation of stock of that kind. As a consequence, after going into horse-breeding for a year or two, he went out of it altogether. Not being an expert in this business and not speaking from that stand point, but having heard Mr. Campbell's story personally, having read his correspondence, knowing that there is no possibility of misrepresentation so far as he is concerned, I think that, if the condition of affairs, as asserted by Mr. Campbell, exists in Canada to-day, it is the duty of the minister to remedy it. I would like to hear from the minister his explanation of the case made out by Mr. Campbell in these letters; and whether or not, if that condition exists, he cannot by an amendment to the Order in Council provide some remedy so that a man who wants to do what Mr. Campbell evidently wanted to do may not be prevented by some arbitrary and foolish regulation from doing so.

Mr. BURRELL: It is a pretty familiar subject; and, as my hon. friend knows, and probably some other hon. members know, the brief that he has given to the House now on this matter is of precisely the same character as that placed in the hands of Senator Casgrain and read in the Senate a short time ago.

Mr. MACDONALD: I did not know.

Mr. BURRELL: Yes. The whole matter has been gone into just as fully in the Senate; and as a result of that, a special committee of the Senate has been appointed to thresh the matter out in detail, and witnesses are to be summoned. At all events, Mr. Campbell is to be given the fullest opportunity to come here and have the matter gone into thoroughly Whether or not he has availed himself of that opportunity, I do not know. I would not like to go into the whole story. I quite agree with my hon. friend that we are not disputing Mr. Campbell's honesty of purpose in this matter; but it is a case where one particular view has seized his mind and the department holds another view and we cannot see eye to eye. I believe that Mr. Campbell, in his desire to get animals in here free of duty, has refused to conform to certain regulations, amongst which are that, when we have in Canada a national record system for any particular breed, an animal of that particular breed that is imported, has to be registered here. As I understand it, Mr. Campbell will not do that. I might also point out—I think I am right in this: I shall be corrected probably by my hon. friend if I am wrong—that the Government of the United States would not allow a man to bring an animal from this country duty free into the United States, unless it were registered in our Canadian record of that particular breed, whatever it might be.

There was another very strong grievance of Mr. Campbell, namely, that he did not want to conform to our regulations, because they required that when a man imported an animal from the United States, he had to furnish a certificate of identity so satisfactory that it had been backed up by the transfers showing the number of hands through which the animal had passed. It is particularly desirable that this should be done, because there are a great many horses syndicated in the West that have been brought in there ostensibly with certain registration certificates which can sometimes be obtained pretty easily; people have been gulled, and no responsible party can be got hold of should the animal prove to be absolutely worthless. I think my hon. friend (Mr. Warnock) will bear me out in that. There has been a very strong request from every one interested in the horse industry to have a system of identification so complete that the horse industry in this country will be thoroughly covered. In some of these matters Mr. Campbell did not see eye to eye with the department. I do not profess to have sufficient legal training to see all the fine points of the matter; but the conclusion come to by myself and by the officers of the department who were interested was that we could not take any action.

Mr. MACDONALD: I do not profess to be an expert on this matter; but, on reading these documents, it strikes me as an anomaly that there should be any authority in Canada that will say: You can not

regard an animal coming into Canada as being thoroughbred in the sense that it may be imported free of duty, although the animal has a certificate of the English or the American or the Australian register. Why should not such a certificate be sufficient?

Mr. BURRELL: That is not altogether the point, although it may be one point. The policy has been laid down that Canada is now big enough and important enough from a breeding standpoint to stand on its own feet and to have a national record system of its own. It is to the interest of every one who wants to benefit by bringing in a breed of any kind to have a Canadian register of that particular breed. If a man gets a horse of a particular breed from somewhere else, he must have it registered on our Canadian books as well. On that point, however, my hon. friend from South Ontario (Mr. Smith), if I am wrong, will be able to put me right. The subject is a rather involved one.

Mr. WILLIAM SMITH: In the first place, I wish to congratulate the Department of Agriculture upon the way in which the live-stock industry is being managed at the present time. A great deal of life has been thrown into the Department of Agriculture within the last few years, which I think is having its effect upon the breeders and farmers of Canada from one end of the country to the other.

As far as the objections raised by the hon. member for Macleod (Mr. Warnock) are concerned, I would say that, whilst he was very moderate in his expressions—and I would expect that from a gentleman of his standing and of his knowledge of Northwest conditions—I cannot altogether agree with him. In the first place I take it that the object of the department is to supply outlying districts, namely, where Canadian bred horses are being used and travelled, as is done in many places in the West and in Ontario. Price does not mean everything in connection with a horse of this description, so that I do not think a great deal of harm can be done. There is this to be said, namely, that the policy of the Government is helping the farmers and the breeders of that class of horses, and they are getting a fair price for them. Therefore, I would scarcely believe Mr. Lane, as I know him, to be actuated altogether by sentiment in selling his colts for $600 each. In regard to the resolutions that were read, I think I see the hand of an old and prominent breeder of the province of Alberta. I refer to Mr. John A. Turner. When representations were made to Mr. Lane after the sale was effected, complaining that he had made it, his answer was that he was running his own business and running it in his own way. If the policy of my hon. friends opposite were carried out, instead of breeding these horses by our own people in the different provinces, the matter would be transferred altogether to another country, and there would be no object at all in a breeder crossing an animal so that it could be recorded in our registers, because there would be no special sale for such an animal. These animals have to be bought for Ontario in Ontario as long as they last; for Alberta, out of the province of Alberta; for Saskatchewan, the same, and so on in the other provinces. If there is not a sufficient number in a province, then the people can go outside the provinces in order to get the balance.

Mr. WARNOCK: When there is a good imported horse in the district, would not my hon. friend believe that that horse might be used without bringing in an outsider if arrangements could be made with the owner?

Mr. SMITH: If I understand the policy aright the department would not send a horse to a section where there was already an imported horse.

Mr. WARNOCK: I think that for this year in a portion of the district south of Macleod application has been made for a stallion. I understand they wanted a Percheron, but they were informed by the department that a Percheron could not be sent, but the department could get them a Clyde. I believe there is a very excellent imported horse in the district, and I know that within thirty miles from Macleod there are a number that could probably be got for a small bonus added to the fee.

Mr. BURRELL: I will take a note of what the hon. member says. I believe the department is living up to the principle the hon. gentleman announces with an absolute desire not to interfere with any privately-owned horse. I know that there is an honest desire on the part of every man in the department to carry out the policy in that sense, but yet the object is to meet the needs of those who cannot get the services of a sire except at great inconvenience and financial loss. I agree that if there is a

privately-owned sire in the district we do not wish to enter into competition.

Mr. WARNOCK: I assume that. But the policy is not being carried out quite in the way the minister has indicated. In that Macleod district I want them to get a good stallion and not have some scrub sent in there, because there are a lot of valuable mares and it would be regrettable to have a scrub sire get into the district.

Mr. SMITH: Every one will agree that as few scrubs as possible should be used, and that I take it to be the object of the policy. There will be differences in the animals, no doubt one will be better than another, but in the main I believe the policy will work wonders for the horse-breeding interests of the different provinces. I would say a word in connection with the statement made by the hon. member for Pictou (Mr. Macdonald). This is an old and hackneyed grievance so far as some of us are concerned. In this connection I would like for a moment to refer to the national records. Whilst the details may be known to a good many members of the House, some hon. members not having a great deal of interest in live stock matters, know very little about them. A number of years ago there were several provincial registrations. These were good in their place and accomplished good. But the time came when it was felt that it was desirable that these should be centralized at Ottawa. The ex-Minister of Agriculture, whilst he never for a moment conceived the idea of centralizing them at Ottawa, was fairly liberal in his views concerning them. The distinct understanding, when they were centralized at Ottawa, was that every association must be under its own control —that is, the Clydesdale made their own rules and regulations, the Shorthorn people the same, the Thoroughbred people the same. So, the record committee which has been spoken of here did not have any real control over the rules and regulations; they carry out the rules and regulations in the central office in Ottawa. Mr. Campbell, of whom you have heard to-night, said they were an irresponsible body. I may say that the members of that committee include Mr. Peter White, Mr. Robert Miller, Mr. J. M. Gardhouse, Mr. Joseph Brethour, Hon. Mr. Garneau and Mr. J. Stephen. I have the honour to be chairman of that committee, and have had that honour for two years. Mr. Campbell made his representations to us. The central idea in connection with these records has been this: The establishment of Canadian national records so that there should be an association for each breed of domestic animals the records of which should be beyond cavil, so that they could be accepted by customs officers and others without question. So far as Government control is concerned, they have an officer appointed by the Department of Agriculture who stamps every certificate with the Government stamp. That gives its value. And to-day the Canadian records of all kinds, all breeds, stand, I believe, higher than those of any other country, in the world. Now, let me point out to you some of the difficulties that have to be met. For instance, all animals recorded in the Clydesdale studbook of Great Britain and Ireland cannot be recorded in our book, because our standard is higher. The complaint made by the hon. member for Pictou, as I understand it—and it is Mr. Campbell's complaint—is that he wants the thoroughbred to come in without being recorded in the Canadian book. That is, he wants us to deal differently with the thoroughbred from any other breed.

Mr. MACDONALD: Does not he propose to record it when it comes in?

Mr. SMITH: No, that is one of the difficulties. One of the very strong positions taken by every association is that every animal must be identified. Mr. Campbell says that that is an utter impossibility. But we do not have any other record, finding fault or complaining. We say that unless every animal is identified, we lose the goodness of our records. Take, for instance, the Thoroughbred Association, of which, no doubt, at one time, he may have been a member. The matter was brought by Mr. Campbell before that association, of which Mr. William Hendry was the president.

Mr. MACDONALD: Colonel William Hendry, of Hamilton?

Mr. SMITH: Yes. In connection with that I wish to read Colonel Hendry's reply, which covers the whole ground:

> The executive committee are fully advised as to the situation and the determined efforts on the part of Mr. C. S. Campbell to obtain his object through channels which might only inform your department of Mr. Campbell's side of the situation. I, therefore, was instructed to write you a personal letter giving you the personal view of the officers of the society. Briefly, the position is as follows: It is well to remember that when the society was formed, and when it was made a national one like other

breeds of live-stock, all the prominent breeders were in favour of the change, some of them largely interested and who had been both breeding and racing for many years before Mr. Campbell became identified in a similar capacity. Therefore, at this stage, why should not the past experience of these gentlemen and those comprising the society to-day, be of sufficient importance to warrant the affairs of the society being properly conducted? Mr. Campbell desires to have the privilege of bringing his animals into Canada 'free of duty,' without recording such animals in the National Live Stock Records and paying the recording fee in the Stud Book of same. If his ground is well taken and his action supported by those in authority in your department, or any other department of the Government, then the whole system of importation of pure bred live-stock into this country is nullified, and the breeding interests will receive such a setback as they will never recover from.

Mr. Campbell has stated in a letter to me that the society seeks to put obstructions in the way of importing into this country, pure bred live-stock. This is a serious charge, and one which, as president of the society, I desire most strongly to disagree with. On the other hand, if your department were to follow the advice of Mr. Campbell and some others from his province, the absurdity of his contentions would only be exceeded by the serious damage it would do to the breeding interests, not only of all breeds of horses but of other live-stock breeds.

The Record Committee published a list of Canadian records and all information pertaining thereto, and a list of recognized foreign records in their annual report which is spread broadcast to breeders, and may be obtained by any one else who may apply. Many foreign records, while on the list of recognized records issued by the United States Government, are not recognized in their entirety. An importer cannot tell whether animals are entitled to free entry into the United States until their pedigrees are passed on by the authorities at Washington. While, generally speaking, all thoroughbred horses are admitted free to the United States, the Jockey Club, New York, practise a system of protection by making registration in their book compulsory within a certain period by a fine of $100. Transfers mean a chain of title to prove identity and prevent fraud by substitution. There has never been any difficulty with horses from Great Britain, as the Stud Book authorities in England issue an export certificate for all animals leaving the country, which absolutely proves his identity and ownership.

The first customs regulations in reference to the free importation of animals for breeding purposes came into effect on October 1, 1870. As to identification of animals, they were as stringent as those of the present time. In the case of a thoroughbred horse, a certificate of purity of blood, a certificate of identity signed and sworn to by the importer and a certificate of registration in either the English or American book was required.

The National Record Board exists by an agreement with the Department of Agriculture.

The Record Committee has never declined to perform the functions delegated to it.

The Government, by incorporating the Canadian Thoroughbred Horse Society, does not delegate to the National Record Committee authority to say whether the English, American, Australian, French or any other stud book is reliable.

The Customs regulations memo. 1713b and 1750b plainly state that if there be a Canadian record for the breed an animal must be entered therein.

An importer, before purchasing, can obtain from the National Record office information as to the eligibility of any animal.

Transfer of title is necessary to prove identity. The basis of all reliable records is the transfer of animals when sold. Without transfers you might as well accept every man's private record and abandon National Records.

No difficulty exists but with horses from the United States. The American Thoroughbred Stud Book does not enforce any system of transfers. The American Stud Book has been described as having a foundation of sand. Only horses that are noted performers on race tracks can be identified by race track officials or race track followers. Canadian purchasers of American horses on American tracks are in the same position as American purchasers of Canadian horses on American tracks. Canadian registration is required for Canadian horses entering the United States free of duty. It is doubtful if it is not illegal to change to a free entry for breeding purposes, a race horse that is under bond to be returned to the country from whence it came.

Most British and continental records were established because of exportations to foreign countries, principally to Canada and the United States. American records were established in many cases prior to those in the country where the breeds originated.

The National Record has passed the experimental stage. The paid membership reaches almost 10,000 persons and the number of people doing business with the National Record office is probably 35,000.

Pedigree registration is mostly based on honesty among breeders. The honest breeder insists on the most stringent regulations for his protection.

Animals already in the country at the time of inception of any record have the same system of identification applied to them as those that may come in later.

The progeny of unidentified animals upon which the duty has been paid, cannot be recorded.

If a mare is brought into the country in foal, is unidentified and duty paid, the foal cannot be registered until the mare is identified.

This pretty plainly shows the work of the Record Board and of the Record Committee and what is demanded. If any one thing was given up in connection with thoroughbred horses and their registration, everything in connection with it might as well go. There must be the identification of the animal in every case.

Progress reported.

On motion of Mr. Borden the House adjourned at 12.15 a.m. Saturday.

Monday, May 11, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

CANADIAN NORTHERN RAILWAY PAPER.

Indenture between Lake Superior Terminal Company, Limited, Toronto, and National Trust Company, Limited, Toronto, dated 28th December, 1903.—Mr. Borden.

THE OKA POSTMISTRESS.

On the Orders of the Day being called:

Mr. PELLETIER: I would like to call the attention of the House to some statements which were made by the right hon. leader of the Opposition and the hon. member for Rouville (Mr. Lemieux) in my absence on Friday last. The statement of the hon. member for Rouville, which is to be found on page 3,592 of 'Hansard,' is as follows:

> I do not wish to offer any objection to the Bill, but I might remind the House and the leader of the Government that the Minister of Justice is more generous than the Postmaster General. Three years ago a mail carrier perished in trying to save the mails during a storm on lake of Two Mountains, between Ottawa and Montreal. He left a widow and five or six children. The case was brought to the notice of the House by the hon member for Two Mountains (Mr. Ethier). He begged the Government to do something for the widow and children, but the minister refused. More than that, the people of Oka petitioned the Postmaster General to transfer the mail contract, formerly held by her husband to the widow of this man. The petition was turned down, the widow has received nothing, and there she is to-day.

On page 3,593 I find the following:

> Sir Wilfrid Laurier: I agree with the minister in everything he has said, but I would strongly recommend to him the case brought to his attention by the hon. member for Rouville. It is not in his department, I know, but the circumstances are very much the same. Here is a man who lost his life in the performance of his duty. The circumstances may not have been heroic, but, after all, the case is deserving of attention from the State, which has benefited by the performance of this man's duty. If the hon. minister could prevail on his neighbour, the Postmaster General, to do the same for this man's widow, he would win the gratitude not only of the widow but of every member in this House.
>
> Mr. Doherty: I shall be very glad to call his attention to what has been said.
>
> Sir Wilfrid Laurier: Calling his attention to it will not accomplish much.

As I said, those statements were made in my absence. As a matter of fact, I asked Parliament to vote $1,000 for this poor woman, and that amount has been voted and paid. Moreover, much against the wishes of many of my political friends, I got this woman appointed as postmistress at that place; and I have received from her letters expressing her most profound gratitude. In one sentence of the letter I have in my hand she says:

> It seems to me that I have suffered enough since that time without having people heap reproaches on my benefactor after what he has done for me.

These are the facts.

Sir WILFRID LAURIER: As far as I am concerned, I spoke under a misapprehension, and I am very glad to offer my congratulations to the Postmaster General on what he has done.

Mr. LEMIEUX: I was away during the first session of this Parliament, but I gathered from certain remarks that the hon. Postmaster General had refused the request of the member for Two Mountains. I, also, am glad to congratulate the Postmaster General on what he has done.

Mr. PELLETIER: If this had been taken up in my presence, it would have been better, perhaps.

PRIVATE BILLS.

THE FARNHAM AND GRANBY RAILWAY COMPANY.

The House in Committee on Bill No. 166, to incorporate the Farnham and Granby Railway Company of Canada.—Mr. Baker. Mr. Blondin in the chair.

On section 8—line of railway authorized:

Mr. BOIVIN: I would like to direct your attention, Mr. Chairman, to a small technical error in clause 8. There is no such place in Canada as the town of Granby. The section should read the 'village' of Granby. The inhabitants of the village of Granby are very anxious to see this Bill go through, and I am very much in favour of it, but I would like to have that mistake corrected. I was not able to be before the Railway Committee when the Bill came up. I would, therefore, move that the word 'village' be substituted for the word 'town.'

Section as amended agreed to.

Bill reported, read the third time, and passed.

THE PRUDENTIAL LIFE OF CANADA.

The House in Committee on Bill No. 150, to Incorporate the Prudential Life of Canada.—Mr. Nickle. Mr. Blondin in the Chair.

On section 10:

The new company shall not commence business until at least one hundred thousand dollars have been paid upon its capital stock.

Mr. SINCLAIR: When I intervened on Friday night to say a word about this Bill, it was not with any desire to prevent its passing but to draw attention to the wording of section 10 which was discussed before the Committee on Banking and Commerce. It was contended by certain members of that committee that the language of the clause is not clear; that it might be complied with by showing that one hundred thousand dollars of capital had been subscribed at some time in the past, but that might now be impaired to some extent, and that it was necessary to have the clause so clear that there should be no doubt that one hundred thousand dollars of capital would be to the fore when the company is being incorporated with a federal charter. Apart from any undertaking of the Finance Department which no doubt will be carried out, I would like to know if the minister thinks the language of the clause is sufficiently clear as it stands to enjoin the department to see that there is one hundred thousand dollars to the good now, before the company would be chartered for business.

Mr. W. T. WHITE: Since this matter was last under discussion, I have made inquiry as to the Dominion Acts passed during the last three years incorporating companies with the power of taking over provincial companies. I find that in 1911 there were two companies so incorporated: The Merchants and Employers Guarantee Accident Company, and the Continental Fire Insurance Company of Canada; in 1912 there was incorporated the Liverpool-Manitoba Assurance Company, and in 1913 the Canadian Provident Insurance Company, the Underwriters Corporation of Canada, and the Western Canada Accident and Guarantee Insurance Company. The Insurance Department informs me that while these Acts prescribe the amount of capital stock required to be paid up before the new company shall commence the transaction of its several classes of business, there is no provision in any of these Acts regarding the amount of unimpaired capital to be shown. There is a provision in each of these Acts that there shall be a certain paid-up capital, but there is no specific provision that there shall be an excess of assets over liabilities, or an unimpaired capital. The Department of Insurance further informs me that in practice they have always insisted, before a license is granted, that the amount of paid-up capital mentioned in the Act of incorporation shall be wholly unimpaired. I have here the Acts incorporating the several companies which I have mentioned, but I do not think it necessary to go into them in detail. My hon. friend from Guysborough will observe that a new company is being incorporated under this Bill, H-2 of the Senate, that is to say, it is a new incorporation. This new company is to have the power of taking over an old company, the Prudential Life Insurance Company, incorporated under the statutes of the Province of Manitoba. By section 10 of the Act it is provided that the new company shall not commence business until at least one hundred thousand dollars has been paid upon its capital stock. That section is on all fours with sections in these several Bills which I have mentioned, passed during the last three years. When the matter was under discussion in the committee, I stated that it might be conceivable that a new company might have one hundred thousand dollars of fully paid-up stock and yet there might not be a surplus of one hundred thousand dollars of assets over liabilities, and therefore, if there had been no other circumstances in the matter it would have been entirely agreeable to me that the amount of sixty-five thousand dollars—which had been fixed in a Bill passed a little while ago by the committee—or eighty thousand dollars, or a hundred thousand dollars, should have been provided as the amount of unimpaired capital, the company should show before being licensed to carry on its business. But by reason of the considerations which were drawn to the attention of the committee, namely, that this Bill had been strongly opposed on the ground of its name; that last year it had been rejected in the Senate; that this year it had passed the Senate and that the change now might involve, by reason of the lateness of the session, the company not obtaining incorporation at all, it appeared to me that if the matter could be safe-guarded, as it can be safeguarded, by the Insurance Department, it would not be necessary to insert in this Bill a provision which has not in the past

been usual in connection with similar incorporations. These being the facts it would appear to me that the matter of the standing of the company and its solvency is safeguarded by the precautions I have taken in instructing the Insurance Department to see that before the license is granted the company shall have an unimpaired fully-paid-up capital of one hundred thousand dollars. I may say that at the last meeting of the Banking and Commerce Committee, I was assured by the manager and by the president of the Prudential Life Insurance Company, that they have no objection whatever to taking that course and would have no difficulty in complying with the requirement of the department.

Mr. SINCLAIR: Another question. The minister in his letter to the superintendent of insurance says that he should associate with his officers an outside actuary to make an investigation into this company. I would like to know who is to pay for the services of an outside actuary?

Mr. WHITE: I did not consider that aspect of it, but personally I would see no objection to the Insurance Department paying. That will be done in the ordinary course of business. It is not unusual for the department to engage expert officials from outside in connection with the conduct of public business devolving upon it.

Mr. SINCLAIR: I think the Prudential Life Company should pay for the outside actuary; of course the actuaries of the department will do the work as part of the business of their office.

Mr. WHITE: I would suggest to my hon. friend that perhaps it would be better that the Government should pay, for the reason that my idea in suggesting that outside actuarial assistance be obtained was in order to put the matter of the standing of the company beyond any question. If a company whose affairs are to be investigated pay for the actuary, it might be suggested that the actuary, being so paid by the company, might not be as strict as if he were paid by the Government. It would occur to me that the proper way of dealing with the matter would be for the Insurance Department to pay for any actuarial assistance which might be obtained.

Mr. SINCLAIR: I do not regard it as important. I have no doubt at all that the minister will make the necessary investigation, and that everything will be done carefully and in order. I have every confidence in the minister and the department that this matter will be attended to as he states it will be. This measure is now practically a Government measure, and the minister, of course, takes the responsibility in regard to it.

The point that I wish to impress upon the House is that the House has functions in regard to these matters as well as the Department of Finance, and that it cannot discharge its functions by passing them over to the department. It is well understand that the functions of the Department of Finance are administrative and that the functions of the House are legislative. It is the duty of the Department of Finance to issue a license to a company when it complies with the terms of the charter granted by this House. If the House chooses to grant a charter to a company to do insurance business in Canada with a capital of $5,000, and if the company comes next day knocking at the door of the Department of Finance with the charter, complying with the terms of it and furnishing the $5,000 capital, or the proof of it, it is the duty of the department to issue the license, notwithstanding that the minister may be of the opinion that the company ought to have at least $100,000 capital. Therefore it is important that the House in all these matters should provide clearly and distinctly what is required because, as to what is required, the Department of Finance will carry out the mandate of the House. It is especially important, when we remember the unfortunate incident which took place recently in regard to the Union Life and incidents of a similar nature. Therefore I hope the minister will see the point which I make, namely, that in all these charters that are granted it is proper and right that the House should be clear and distinct in regard to the conditions on which they shall be granted.

Mr. A. K. MACLEAN: Do I understand the minister to say that the section in the Bill fixing the capital at $100,000 shall be construed by the department to mean that there must be assets over liabilities to that extent?

Mr. W. T. WHITE: Yes.

Section agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 59, respecting the Toronto, Niagara and Western Railway Company.—Mr. Currie.

Bill No. 167, to incorporate the Cornwall and Hawkesbury Railway Company of Canada.—Mr. Alguire.

Bill No. 161, respecting the Western Life Assurance Company.—Mr. Bradbury.

Bill No. 163, to incorporate the North American Accident Insurance Company.—Mr. Baker.

SECOND READING.

Bill No. 172, respecting the Toronto Terminals Railway Company.—Mr. Macdonell.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

CANADIAN NORTHERN RAILWAY FINANCE.

* Mr. MACDONALD:

1. Referring to the statement made by the Prime Minister in 'Hansard' 1912-1913, page 11757, as follows: 'The Canadian Northern Railway Company professes itself able, under ordinary conditions, to raise all the money that may be necessary for the completion of the line.' Who made this statement on behalf of the Canadian Northern Railway Company?

2. When was it communicated to the Government?

3. Was the statement made in writing? If so, who signed the same?

Mr. BORDEN:

1. An official of the Canadian Northern railway.

2. Shortly before the statement was made to the House, so far as the Prime Minister can recollect.

3. No.

INTERCOLONIAL RAILWAY—C. FRED. AVARD.

Mr. EMMERSON:

1. On what date was C. Fred. Avard appointed to a position in the freight department of the Intercolonial railway at Sackville, N.B., at what rate of wages or salary, and to what position was he appointed?

2. On what date was the said C. Fred. Avard dismissed from the Intercolonial railway service, and what position did he hold when dismissed?

3. What was the salary or wages being paid him at the time of his dismissal, and was he the senior freight porter at the Sackville freight shed at the time of his dismissal?

4. Under the schedule which came into effect on June 1, 1911, did it grant the following scale of wages: Senior freight porters $1.80 per day; junior freight porters $1.50 per day; second year $1.70 per day; junior freight porters third and subsequent years $1.75 per day?

5. How long was the said C. Fred. Avard in the railway service as senior freight porter at Sackville, and what was the rate of wages paid him after June 1, 1911?

6. For what cause was the said C. Fred. Avard dismissed, and upon whose recommendation was the dismissal made?

7. Was the said C. Fred. Avard senior freight porter at Sackville station on the first day of June, 1911, and since that date?

8. If not, who was and who has been since the dismissal of the said C. Fred. Avard, and what rate of wages were paid him since his appointment?

Mr. J. D. REID:

1. April 17, 1903; $1.20 per day; occupation, porter.

2. January 31, 1914; senior porter.

3. $2 per day; 63 years of age; senior in the service.

4. Yes, for sheds where porters are numerous enough to be classified.

5. Classified as senior porter nine months, from April 1, 1913, to January 21, 1914. $1.70 per day, June 1, 1911, to March 21, 1913; $1.90 per day, March 21, 1913, to April 1, 1913; $2 per day, April 1, 1913, to January 31, 1914.

6. Incapable of performing duties satisfactorily, on account of being too old.

7. No, but he was so classified from April 1, 1913, to January 31, 1914.

8. No one. Claude Estabrooks, at $2.

CANADIAN NORTHERN RAILWAY—TRANSCONTINENTAL LINE.

Mr. MACDONALD:

1. Referring to the statement made by the Minister of Finance, in 'Hansard' 1912-13, page 11713, in the following words: 'It is estimated that by the summer of next year, if the same conditions prevail as have prevailed as to labour, the Canadian Northern Railway Company will be running trains across the continent from Quebec to the Pacific coast;' who made the estimate referred to?

2. Was the said estimate made in writing?

3. Was the estimate communicated to the Government? If so, by whom and on what date?

Mr. W. T. WHITE:

1. Officials of the Canadian Northern Railway Company. In the annual report to the shareholders of the company at the annual general meeting of October 23, 1912, it was stated that it was hoped the transcontinental line of the Canadian Northern railway system would be completed by the end of 1913.

2. No.

3. Yes, during the session of 1912-13, but upon what date and by whom the minister does not recall.

NORTH RIVERSIDE POSTMASTER.

Mr. SINCLAIR:

1. Referring to the dismissal of Charles McPherson, postmaster at North Riverside, Guysborough county, N.S., did the postmaster or any officer of his department write to the said postmaster stating that complaints of partisanship had been made against him?
2. If so, was such complaint made in writing and by whom?

Mr. PELLETIER: Yes, by James R. MacPherson, but, as already explained, the postmaster was not dismissed for that reason.

PANAMA CANAL RATES vs FORT WILLIAM RATES.

*Mr. BURNHAM:

1. What will be the difference in freight charges per bushel for wheat from Pincher Creek, laid down at Liverpool, via the Panama canal and via Fort William?
2. What will be the difference from Winnipeg?

Mr. FOSTER: It is impossible to answer this question, as no wheat rates or other rates have yet been established through the Panama canal.

Mr. BURNHAM: The hon. member for Macleod (Mr. Warnock) informs me that the difference will be from six to eight cents; but I wished to get it more definitely. It is rumoured that it will be twelve cents.

SHERBROOKE POST OFFICE EMPLOYEES.

Mr. McREA:

1. What is the name of each person employed in the post office inspection department at Sherbrooke?
2. What is the remuneration paid to each individual, including the inspector?

Mr. PELLETIER: The following persons are employed in the post office inspector's office at Sherbrooke:

Name, rank and salary—Dastous, L. E.M., inspector, $2,500; Soles, C. Edw., asst. inspector, $2,000; Doherty, M. M. L. (Miss), clerk 3-A, $1,000; Campbell, S. (Miss), temp. clerk, $500; Bousquet, P., messenger, gr. A., $2 a day; Downing, J. P., temp. help; $2 a day; Frechette, R. temp. clerk, $500; Lefebvre, J. P., porter, gr. C., $2.50 a day.

PETITE RIVIERE BREAKWATER.

Mr. A. K. MACLEAN:

What amount was spent during the fiscal year 1913-14 in connection with the Petite Rivière breakwater, Lunenburg county, N.S.?

Mr. ROGERS: $2,499.98 to January 16, 1914.

WHARVES BREAKWATER.

Mr. A. K. MACLEAN:

What amount was spent during the fiscal year 1913-14 in connection with the Wharves Breakwater, Lunenburg county, N.S.?

Mr. ROGERS: $1,499.76 to December 27, 1913.

THREE RIVERS, MILITIA CAMP.

Mr. BUREAU:

1. How many tenders were received for the supply of meat for the military camp at Three Rivers during the year 1913?
2. (a) Is it the intention of the Government to hold a military camp at Three Rivers during the coming summer? (b) If so. will tenders be asked for the supply of meat and other necessaries of life?
3. (a) Who was awarded the contract for the supply of meat at Three Rivers military camp in 1913, (b) what price was paid to the contractor, and (c) was the one who supplied such meat the lowest tenderer?

Mr. HAZEN:

1. Four.
2. (a) Yes; (b) Yes; advertisement for tenders has already been made.
3. (a) Harris Abattoir Company, Ltd.; (b) eleven and one-half cents per pound; (c) Yes.

KINGSTON CAUSEWAY.

Mr. EDWARDS:

1. Has the work on the Causeway at Kingston been discontinued? If so, when and for what reason?
2. According to progress made to date, is the work likely to be completed by the time specified?

Mr. ROGERS:

1. No.
2. Fair progress is now being made.

FENIAN RAID BOUNTY—NOVA SCOTIA APPLICATIONS.

Mr. EDWARDS:

1. (a) How many applications for Fenian Raid veteran's bounty have been received from Nova Scotia, (b) how many have been allowed, and (c) how many have been disallowed?
2. Were the Nova Scotia claims forwarded to Ottawa and passed upon by the Pension Boards? If not, how and by whom were the claims adjusted?
3. In the case of Nova Scotia claims allowed, do the names of the veterans appear on active service pay-lists at Ottawa?
4. Was the form of application for the bounty the same for Nova Scotia as for Ontario? If not, in what respects did it differ?
5. What proof was required of the Nova Scotia veterans to make good their claims?

Mr. SAM. HUGHES: As claims have not been entered by provinces, it is almost impossible to give the exact date relative to the province of Nova Scotia; but:

1. (a) Approximately 20,000 claims have been received from Nova Scotia; (b) Approximately 5,700 warrants have been issued for Nova Scotia; (c) Approximately 300 claims have been disallowed.

2. Claims were all forwarded direct to Ottawa. The Pension Board had nothing to do with these claims. The claims were passed upon by the officials engaged in carrying out the terms of the Fenian Raid Volunteer Bounty Act of 1st April, 1912.

3. No. There are not any Active Service pay-lists for the province. The service took place in 1866, before Confederation, and it seems that the pay-lists were destroyed.

4. Yes.

5. As the proclamation of the 17th March, 1866, called out every man in Nova Scotia between the ages of 16 and 45, and not as in Ontario and Quebec, where corps were specially named in the General Orders calling out the force, the sworn declaration of a claimant and a comrade that he was enrolled in a corps of the Nova Scotia militia, and served with it on actual service in obedience to the proclamation issued by the Governor of Nova Scotia on the 17th day of March, 1866. The same proof, in fact, as has been required and accepted in cases in the other provinces where active service pay-lists were absent.

PORTNEUF LIGHTKEEPER.

Mr. DELISLE:

1. Is the Minister of Marine and Fisheries aware that, as alleged, when an investigation was being held by Mr. Omer Beaubien, attorney, in the case of Josephine Rodrigue, lightkeeper at Portneuf, county of Portneuf, several witnesses were summoned from Portneuf to Quebec, where said investigation was being held, and that they have not yet received their witness fees and travelling expenses?

2. If so, is it the intention of the Government to have them paid?

Mr. HAZEN: The amounts due the several witnesses were included in the account submitted by Mr. Beaubien. The account, including the fees for witnesses, has been paid to Mr. Beaubien. The matter has been referred to the Justice Department for advice as to further liability.

EMPLOYMENT OF MEMBERS OF PROVINCIAL LEGISLATURES.

Mr. MOLLOY:

Can members of any provincial legislature be employed by or receive money from the federal Government for services rendered?

Mr. BORDEN: Questions of this character are not usually answered, as they involve an opinion upon questions of law. In any event the subject would be dealt with by enactment of the provincial legislatures.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Kyte.—For a copy of all letters, telegrams, correspondence and memorials since the 1st day of November, 1911, relating to the post office at Johnstown, Richmond county, N.S., and to complaints against the present postmaster and recommendations for his dismissal?

Mr. Wm. Chisholm.—For a copy of all correspondence, memorials, letters, telegrams and other documents relating to the redistribution of constituencies in the province of Nova Scotia, as affecting the electoral district of the county of Antigonish.

Mr. Sinclair.—For a copy of all correspondence, memorials, letters, telegrams and other documents relating to the redistribution of constituencies in the province of Nova Scotia, as affecting the electoral district of the county of Guysborough.

Mr. Kyte.—For a copy of all correspondence, memorials, letters, telegrams and other documents relating to the redistribution of constituencies in the province of Nova Scotia, as affecting the electoral district of the county of Richmond.

Mr. Oliver.—For a copy of all papers and correspondence relating to a contract for telegraph or telephone poles for a line from Green lake to Isle à la Crosse, Saskatchewan, the advertisement for tenders the tenders received, with names of the tenderers and prices, and also a copy of all correspondence regarding same and particulars of contract awarded.

Mr. Sam. Sharpe.—For a copy of all papers, letters, telegrams, accounts and receipts, concerning advances or payments made by the Government to Newton Wesley Rowell, K.C., for legal services in connection with the Oka Indian litigation.

Mr. Neely.—For a copy of all documents, letters, telegrams, homestead inspector's reports and other documents relating to the cancellation of the entry of R. Bannatyne for the north-west quarter, section 24, township 36, range 18, west of the second Meridian.

Mr. Sinclair.—For a copy of all letters, telegrams, Orders in Council, contracts, tenders, papers and other documents in possession of the Department of Public Works, and of the Department of Militia and Defence, relating to the construction of an armoury at Amherst, N.S.

Mr. McCrea.—For a return showing whether Mr. David Armstrong, mail carrier of the city of Sherbrooke has been dismissed, and if so the cause for such dismissal; whether an investigation was held at which he was given an opportunity of meeting his accusers and being heard in his own defence; the number of years Mr. Armstrong has been in the service and the remuneration he was receiving for his services; whether his successsor has been appointed; if so, the name of said successor, the list of those who recommended him, and the remuneration he receives.

DRAWBACK ON PIG-IRON.

On motion of Hon. J. D. Reid (Minister of Customs), Bill No. 171, to amend the Customs Act, was read the second time, and

the House went into Committee thereon, Mr. Blondin in the chair.

On section 1—Revised Statutes, chapter 48, amended:

Mr. CARROLL: What is the usual time which is allowed after the payment of the duty? I refer to subsection 2 of this section.

Mr. W. T. WHITE: I am sorry that I am unable to answer my hon. friend; I will get the information later and give it to him.

Mr. A. K. MACLEAN: Will it be the practice of the department to take note of all importations of iron when they are made and before consumption at the furnaces is begun?

Mr. WHITE: In the administration of this Act the department will satisfy itself as to the amount of pig-iron which entered into the export manufactures of any concern, and if that concern has imported an amount of pig-iron equal to that amount, a drawback will be allowed in respect of the duties paid upon the pig-iron so imported.

12 noon.

Section agreed to.

Bill reported, read the third time, and passed.

DOMINION LANDS ACT AMENDMENT.

The House again in Committee on Bill No. 136, to amend the Dominion Lands Act, Mr. Blondin in the Chair.

On section 3—price:

Mr. ROCHE: Sections 3 and 4 of this Bill were held over for the purpose of considering an amendment suggested by the hon. member for Moosejaw. I had adopted the principle laid down by the amendment of the hon. gentleman, but had refused to accept its wording. The amendment to section 3 which he substituted ran this way:

Any instalment or instalments not paid on the due dates thereof.

As this is not very happily worded, I have redrafted the amendment. I beg to move:

That all the words between the word 'instalments' in the eighth line and the word 'provided' in the fourteenth line of clause 3 be struck out and that the following be inserted in lieu thereof: And every instalment which is not paid upon the date when it becomes due shall bear interest at the rate of 5 per cent per annum from such date until it is paid.

In effect, that means that no interest is charged except upon overdue payments. That will necessitate another amendment farther on in the same section, as follows:

That the following words be inserted after the word 'fee' in the fourth line, in the second proviso: or on any instalment or instalments for any period before any such instalment became due.

Motion agreed to, and section, as amended, agreed to.

On section 4—section 28 amended:

Mr. ROCHE: A similar amendment is proposed in connection with purchasing homesteads. I beg to move:

That section 4 be amended by adding thereto the following:

Subsection 5 of said section 28 is repealed and the following is substituted therefor:

5. The price payable for land under this section shall be $3 an acre, and such price shall be payable one-third at the time the entry is made and the balance in five equal annual instalments; and every instalment which is not paid upon the date upon which it becomes due shall bear interest at the rate of five per centum per annum from such date until it is paid: Provided that, on the completion of the requirements under this section for obtaining letters patent for such purchased homestead, payment in full may be made therefor and letters patent therefor may thereupon issue.

Motion agreed to, and section, as amended, agreed to.

Mr. OLIVER: Before the Bill goes out of committee, might I suggest to the minister that, in consideration of the fact that this Bill governs the rights of such a very large number of people who are not learned in the law, but yet who desire to acquire knowledge of what their rights are from a perusal of the Bill, that, wherever he has made an amendment providing for the insertion of one or more words in the Act as it formerly stood, he repeal that section, and replace it by a new section which will express in full the new intent of the law; so that when a layman desires to understand the meaning of a certain section, he will not have to refer to the old Act and the new amendments, and read them together, in order to get the meaning of the amended Bill.

Mr. ROCHE: I think that is worthy of consideration.

Mr. KNOWLES: I want to ask the minister a question about a case which I know will arise. Suppose that a man has not money to pay the first instalment on his pre-emption when it becomes due, but is in funds for the total balance fifteen months after; how much residence duties would he be called on to give an account of?

Mr. ROCHE: He would have to perform his proportion of the residence duties. As the hon. gentleman knows he has to put in six months in each year. Therefore, in this particular case he would have to put in about fifteen days. Still this is a matter on which the very greatest amount of latitude will be allowed, and the ordinary good sense of the department will be called into requisition in deciding such a case. I do not suppose a matter of fifteen days would hold up any man's patent.

Mr. KNOWLES: It might be twenty months instead of fifteen. The minister cannot see each of these men personally, and I think it is a mistake to leave the Act in this slipshod manner. This is a matter which should not be left to the officials to decide, according to whether the applicant is friend or foe. The law provides for six months' residence duties in each homestead year. I am inclined to think that in the case I mentioned, where a man was in funds twenty months after the first instalment became due, the officials would make him put in two periods of six months each. If all these cases came before the minister personally, I have no doubt that he would do what was just, but it is hardly necessary for me to repeat that there are men in his department upon whose justice I would not always rely; and I think he is making a mistake in not making that point clear.

Mr. ROCHE: The strict interpretation would require what the hon. gentleman states, but we are not putting any more power in the hands of our officials than they now possess. There must be a certain amount of elasticity in the interpretation and enforcement of the law. The good sense of those charged with the administration of the Act will have to decide each case on its merits.

Mr. KNOWLES: Will the minister say that the residence duties for a fraction of a year shall be not more than in the ratio of six months to twelve months?

Mr. ROCHE: That is the rule that will be enforced.

Bill reported, read the third time and passed.

FOREST RESERVES AND PARKS.

On motion of Hon. W. J. Roche (Minister of the Interior), Bill No. 137, to amend the Dominion Forest Reserves and Parks Act, was read the second time and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1—paragraph 1 amended:

Mr. OLIVER: This Bill, as I understand it, merely provides for the setting apart of new reserves and the cancellation of old ones, or the limitation of boundaries. It is impossible for any person to understand what is meant without the aid of a map, and I would respectfully ask the minister to place a map on the table and to adjourn consideration of the Bill until this afternoon, or some other time, to give members an opportunity of seeing what are the changes proposed. It may not have any pressing importance and yet the changes may be important.

Mr. ROCHE: I have just placed a map upon the table. If it is necessary to postpone the Bill I shall not object, but I do not know that there are any very important departures proposed. The principal changes proposed are in the form of additions to our present forest reserves. These lands have been thoroughly inspected by the officers of the forestry branch, have been temporarily set aside, and we now wish to make the reservations permanent. There are withdrawals from two or three reserves, amongst them the Buffalo Park reserve, from which we are taking a quarter section upon which a homesteader has qualified. If the hon. gentleman thinks it necessary, I will agree to a postponement.

Mr. OLIVER: I would certainly like to have an opportunity of looking at the map to see what changes are being made.

Mr. ROCHE: Well, we will leave it until this afternoon.

Progress reported.

MERCHANTS AND EMPLOYERS ACCIDENT GUARANTEE COMPANY.

On motion of Hon. C. J. Doherty (Minister of Justice), Bill No. 120, to correct a clerical error in Act 1-2 George V, chapter 118, respecting the National Weekly Indemnity Company, and to change its name to the Merchants and Employers Guarantee and Accident Company, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1—business of company:

Mr. DOHERTY: The purpose of this Bill is merely to correct a translator's error in

the English version of the Act. The act sought to be amended was originally a private Bill presented in French, but, when it came to be translated, the word 'cautionnement' was translated as 'bond' instead of 'guarantee.' One of the purposes of the company was to do guarantee insurance but the translator rendered it as bond insurance. This Bill originally contained one section correcting that error but I may say that it will be necessary to put in another clause, because the same error occurred in another section of the Bill which was not noticed at the time the Bill was prepared. Furthermore, the Insurance Department having pointed out that the regulations they imposed in regard to the capital were imposed in view of the English version, it will be necessary to further amend the Bill to meet the requirements as to capital suitable for a company to do a guarantee insurance business. I therefore beg to move that the Bill as before the committee be amended by adding the following sections:

2. Subsection 2 of section 8 of chapter 118 of the English version of the statutes of 1911 is amended by striking out the word 'bond' in the second line thereof and inserting the word 'guarantee' in lieu thereof.

3. Subsection 2 of section 8 of chapter 118 in both the English and French versions of the statutes of 1911 is amended by striking out the words 'eighty thousand dollars' in the fourth line thereof and inserting in lieu thereof the words 'one hundred and twenty thousand dollars, but the new company may commence the business of guarantee insurance in addition to accident insurance and sickness insurance when its paid-up capital stock amounts to ninety-five thousand dollars, or may commence the business of burglary insurance in addition to accident insurance and sickness insurance when its paid-up capital stock amounts to sixty-five thousand dollars.'

4. Subsection 4 of section 8 of chapter 118 in both the English and French versions of the statutes of 1911 is amended by striking out the word 'thirty' in the fourth line thereof and inserting the word 'seventy' in lieu thereof.

The two last sections are introduced to meet the requirements of the Insurance Department.

Sir WILFRID LAURIER: Where is the head office of this company?

Mr. DOHERTY: In Montreal.

Sir WILFRID LAURIER: Where was it incorporated?

Mr. DOHERTY: The company by another name was originally incorporated in the province of Quebec, and by a statute of 1911 the name was changed to the Merchants' and Employers' Guarantee and Accident Company, and provisions were made with regard to the capital that would be required in order to the carrying on of the business. The reason these changes have to be made is, that in determining the amount that would be required with regard to capital at the time the Bill was passed, the Insurance Department acted upon the English version and required a capital suitable to the doing of a bond insurance business, which I understand is less than would be required for the doing of a guarantee business. The anomalous situation was created that whereas, under the French version of the statute which was based upon the petition which was in French, the company was authorized to do this guarantee business, under the English version it was apparently only authorized to do a bond insurance business. The requirement as regards capital was based upon the English version and, therefore, only provided for a capital such as, in the opinion of the department, was necessary to justify the carrying on of a bond insurance business. It comes as a public Bill because it has been represented that the mistake which called for correction was the mistake of the officers of the House. The petitioners put their petition before the House in a language which they were entitled to use, and in the French version it was perfectly clear that a guarantee business was sought, but an error occurred in the translation and it was carried through and not noticed until later. The Insurance Department has recommended that these other changes which are consequent on that original error should be made.

Bill reported, read the third time, and passed.

ADDITIONAL SENATORS FOR BRITISH COLUMBIA.

Right Hon. R. L. BORDEN (Prime Minister) moved that the House go into Committee to consider the following proposed resolution:

Resolved, that it is expedient to provide for three additional members of the Senate for the province of British Columbia.

Sir WILFRID LAURIER: It might be well to discuss this matter now.

Mr. BORDEN: The province of British Columbia was brought into Confederation by an Order in Council which provided that it should be represented in the Senate of Canada by three members. A close consideration of the statutes under which that

Order in Council was passed might lead to the conclusion that possibly something had been overlooked. However, the Order in Council has been acted upon for a great many years, and British Columbia has always been regarded as being represented in the Senate by three members, and it is so represented to-day. When the provinces of Alberta and Saskatchewan were created in 1905, provision was made that they should each be represented by four members and after the next decennial census that the number might be increased to six. When the addition was made to the territory of Manitoba in 1911 a similar provision was made in regard to that province, namely, that its representation in the Senate, which at that time consisted of four, should after the next decennial census be increased to six. The original basis of representation in the various provinces in the Senate was not fixed by population, nor does it seem to have been fixed upon any principle that could very well be defined. The representation as fixed seems to have been purely arbitrary. There was a provision that the provinces then constituting Confederation should be divided into three divisions: Ontario, Quebec and the Maritime provinces. It was provided that Ontario should be represented in the Senate of Canada by twenty-four members, that Nova Scotia and New Brunswick should each be represented in the Senate by twelve members, and that Quebec should be represented by twenty-four members, it being provided that in the province of Quebec the representation should be assigned to certain divisions in that province, whereas in the other provinces of Canada the representation is at large. It was provided that in case the province of Prince Edward Island should be admitted to Confederation, the representation of Nova Scotia and New Brunswick should be reduced by four, and that Prince Edward Island should be assigned a representation of four in the Senate. Provision was also made for the representation of Newfoundland in the Senate should that colony be admitted to Confederation. There was also the provision that His Majesty the King, by Order in Council, might increase the representation in the Senate by either three or six. In case of an increase by the number of three, one should be taken from Ontario, one from Quebec and one from the Maritime provinces. If the representation should be increased by six, two should be taken from Ontario, two from Quebec and two from the Maritime provinces, and no new senators should be appointed from either of these provinces until after the number fixed by the British North America Act should be reduced below the number which I have mentioned, that is, twenty-four for each division. There has been no provision for the constitution or establishment of a fourth senatorial division in Canada, beyond the provision to which I have just now alluded; and the proposal to increase the representation of the four western provinces to the number of six each would bring about in effect the establishment of a fourth division, although, so far as those provisions in the British North America Act which provide for a temporary increase in certain cases are concerned, it would be necessary to have an amendment to the British North America Act for the purpose of establishing proper provisions in that regard. My right hon. friend the leader of the Opposition alluded to this matter when one of these Bills was under discussion some time ago; and, if I remember his words correctly, he suggested that it would be a very proper thing to establish a fourth division for representation in the Senate of Canada consisting of the four provinces of Manitoba, Saskatchewan, Alberta and British Columbia. The proposals which we have laid before the House in that regard will carry out his suggestion except as regards the necessity of some amendment to the British North America Act to which I have alluded. I think it is clear that any legislation passed by this Parliament for the purpose of increasing the representation of the province of British Columbia in the Senate would have to be confirmed by British legislation. As far as that is concerned, we would not propose to bring the legislation into effect until such confirmatory legislation should have been obtained. There is a precedent for the course which I am proposing to follow in this regard in the legislation passed for the purpose of appointing a deputy Speaker in the Senate in 1894. This legislation was passed with the proviso that it should not come into force until His Majesty's pleasure was signified by proclamation in the Canada Gazette. The question as to whether or not Parliament had the power to pass that legislation was submitted to the law officers of the Crown in Great Britain; and, although they doubted whether any confirmatory legislation was

necessary, such confirmatory legislation was passed in 1895. It is desirable, I think, that the province of British Columbia should be placed upon the same basis as the other western provinces in respect of its representation in the Senate, and I think I have already placed upon the table of the House a resolution of the legislature of that province passed during a recent session. It was transmitted to the Government by the following communication:

Province of British Columbia.
The 3rd of March, 1914.
At Government House,
Victoria, B.C.

Sir,—I have the honour to forward herewith, a copy of an approved minute embodying a resolution of the Legislative Assembly of this province, in which application is made to the federal Government for an increase in the number of senators representing the province.

I have the honour to be, Sir,
Your obedient servant,
Thos. W. Paterson,
Lieutenant Governor.

The Honourable
The Secretary of State,
Ottawa.

The resolution alluded to is as follows:

The Committee of Council submit for the approval of His Honour the Lieutenant Governor a resolution of the Legislative Assembly of the province of British Columbia, as follows:

Whereas the Parliament of Canada has under consideration a measure providing for the redistribution of the constituencies of the Dominion:

And whereas it is provided to make provision for the appointment of an additional number of senators:

And whereas it is provided that the number of senators for each of the provinces of Manitoba, Saskatchewan and Alberta shall be six:

And whereas the population of British Columbia, as ascertained by the census in 1911, compares favourably with the other provinces mentioned and is increasing rapidly:

And whereas the area and importance of the province of British Columbia make it necessary and advisable that this province should receive adequate recognition when such appointments are made:

Therefore, be it resolved that His Honour the Lieutenant-Governor be requested to forward through the proper channels to the Dominion Government the prayer of this House that the number of senators for the province of British Columbia be increased to six, so as to give British Columbia equal standing in the Upper House with the other western provinces.

The committee advise that a copy of this minute be transmitted to the Honourable the Secretary of State of Canada.

Henry Esson Young,
Clerk, Executive Council.

Victoria, 2nd March, 1914.

Sir WILFRID LAURIER: There are before the House at the present time four resolutions to increase the representation in the Senate of the four western provinces, namely, Manitoba, Saskatchewan, Alberta and British Columbia, in order to give each of these provinces six members instead of what they have at present. As to the desirability of such legislation, for my part, I have no objection to offer. On the contrary, some years ago, at the time we created the two new provinces of Saskatchewan and Alberta, I pointed out that it would be advisable that we should do for the western provinces what had been done for the eastern provinces, namely, create a new division, which would be called the western division, and which would make the number of divisions four. As stated by my right hon. friend a moment ago, when Confederation was established three divisions were created for the purpose of senatorial representation, that is to say, Ontario, Quebec and the Maritime provinces, each of which three divisions was given twenty-four members. The fathers of Confederation foresaw that, as time went on, new provinces would be added to Confederation, and they made provision for representation in the Senate of two provinces, namely, Prince Edward Island and Newfoundland, which it was supposed would come into Confederation. The dispositions which they made with regard to Prince Edward Island and Newfoundland were just as has been stated by my right hon. friend. With regard to Prince Edward Island, it was stated that, when it came into Confederation, it would be entitled to four members, but that these four members would be deducted from the twenty-four members from the provinces of New Brunswick and Nova Scotia, leaving twenty-four as the unit of representation for the division consisting of the Maritime provinces. At the same time it was stated that Newfoundland would be given a representation of four, making the total number of senators seventy-six instead of seventy-two. Strange to say, although the fathers of Confederation foresaw that British Columbia might come into Confederation, no disposition was made as to its representation in the Senate. When British Columbia came into Confederation, it was given representation in the Senate of three members, thus adding three to the total membership of the Senate, which had been fixed by the British North America Act at seventy-two. The matter evidently was an oversight at the time; but still, as stated by my right hon. friend, more than forty years have elapsed since that date, and, although British Columbia has been represented in the Senate perhaps without

authority, it would be to no purpose to question what has been done. I have only this, however, to observe to my right hon. friend, that in so far as two of the provinces, namely, Alberta and Saskatchewan, are concerned, whose membership in the Senate it is now sought to increase, there is no constitutional objection; we have the power in this Parliament to give them this increased representation. So far as British Columbia is concerned, my right hon. friend can see that we have no power, but that anything we do must be confirmed by the Imperial Parliament. I submit, with all due deference, that so far as Manitoba also is concerned, we have no power at present to increase the representation of that province in the Senate than we have in the case of British Columbia. It is true, that two years ago when we extended the boundaries of Manitoba, we introduced into the Bill a provision to the effect that Manitoba should be represented in the Senate by six; but I submit with great confidence to the judgment of my right hon. friend that this was simply an expression of our will that the thing should be done by the proper authorities, and that the Parliament of Canada as now constituted has no power to increase the representation of Manitoba in the Senate. I would submit to my right hon. friend the advisability of proceeding in a different way from that which he now proposes. I think undoubtedly we have no power to increase the representation of British Columbia in the Senate; and in my opinion—I do not know whether that opinion is shared by hon. members on the other side—we have no such power in relation to Manitoba, or that at best our power to increase the representation in Manitoba would not be held to be above doubt. Therefore, I submit to my right hon. friend that it would be better to proceed as we have proceeded in such circumstances before when we were asking for imperial legislation and, instead of passing Acts which we have not the power to pass and then asking confirmation by the imperial authorities, to proceed by way of Royal Address asked by the Senate and the House of Commons to His Majesty asking for the necessary legislation, which would give us the powers we have not now. I repeat what I said a moment ago, that in view of the development that is taking place in the provinces of the West they are certainly entitled to increased representation in the Senate, and as a group I think the representation should be increased to twenty-four. I think it would be more in accordance with the constitutional usage if we passed an Address declaring that we create a new group composed of the western provinces to be given representation of twenty-four—a new group of Manitoba, Saskatchewan, Alberta and British Columbia, just as we have the group of New Brunswick, Nova Scotia and Prince Edward Island—and that its representation in the Senate be twenty-four members.

[Sir Wilfrid Laurier.]

Mr. BORDEN: The observations of my right hon. friend, are, of course, entitled to very careful consideration. Perhaps this resolution might be permitted to pass at present, so that the Bill may be introduced and I will confer with my right hon. friend before taking any further action in regard to it.

Motion agreed to, and the House went into Committee, Mr. Blondin in the Chair.

Resolution reported and concurred in.

Mr. BORDEN thereupon moved for leave to introduce Bill No. 184, respecting the representation of the province of British Columbia in the Senate.

Motion agreed to, and Bill read the first time.

JUVENILE DELINQUENTS ACT AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice) the House went into Committee on Bill No. 174, to amend the Juvenile Delinquents Act amendment, 1908, Mr. Blondin in the Chair.

On section 1—appointment of deputy judge:

Mr. LEMIEUX: What is the object of this amendment?

Mr. DOHERTY: The purpose is to empower the judge of the Juvenile Delinquents Court to appoint a deputy judge, the appointment to be made subject to the approval of the Attorney General of the province. It has been found in some of the large centres, and I may say particularly in the city of Montreal, that there are occasions when it is impossible for the judge to be in attendance day by day and do the work. At present in the absence of the judge, they have to call in a police magistrate. While these gentleman who are called in, no doubt, do their work very effectively, still it has been considered undesirable that a person not accustomed to the administration of the Juvenile Delinquents Act, which, as the hon. gentleman

knows, looks rather to paternal correction than to the administration of criminal justice, should intervene in the operation of the court.

It seems desirable that some one accustomed to the system should be appointed to do the routine work. I think it is probable that in many instances clerical officers of the court will be appointed deputy judges. This legislation has been strongly urged by Judge Choquet, whom everybody will recognize as being what may be called an expert in the administration of this particular law. It has been suggested, however, that there may be cases where it may not be considered desirable by persons interested in some of these juvenile delinquents that the matter should be dealt with otherwise than by the judge himself. To meet that view, I move that the Act be amended by adding a second section, providing that:

No deputy judge shall hear and determine any case which a Juvenile Court committee desires should be reserved for hearing and determination by the judge of the Juvenile Court.

The Act provides for the constitution of a committee of citizens, acting gratuitously, to co-operate with the judge of the Juvenile Court and I know that in Montreal there are very active committees of that kind which take a live interest in the treatment of the children who are brought before these courts. It has been thought that, when in their judgment any case is deemed to be of such a nature that the judge himself should deal with it, they should have the right to make a request to that effect, and that that request should be granted.

Amendment agreed to.

Mr. LEMIEUX: I quite approve of this legislation. From what I can gather, the Juvenile Court in the city of Montreal has, under the able direction of Mr. Justice Choquet, been a great success. There is, however, an amendment which I would suggest to my hon. friend and in doing so I simply voice the opinion expressed by many friends of the Juvenile Court. It is that the proceedings of the court should be kept more private; that is to say, that they should not be made public through the press. Several organizations and religious bodies in Montreal have made representations to the Attorney General to this end. The Juvenile Court was created by Parliament because it was thought that young boys and young girls who fall in early life should be kept away from the older criminals and given a chance of reforming themselves through their receiving paternal treatment on the part of society, represented by the judge. On several occasions I have noticed that cases coming before the juvenile court were fully reported in the press. I am a friend of the press and a sort of journalist myself, but I think that quite enough news of this kind may be obtained from the other courts without the proceedings of the juvenile courts being published.

Mr. DOHERTY: If the hon. gentleman will look at the Act, he will observe that section 10 makes ample provision for what he suggests. It says:

The trials of children shall take place without publicity and separately and apart from the trials of other accused persons and at suitable times to be designated and appointed for that purpose.

Sub-section 2 provides that trials may be held in the private office of the judge or in any other private room in the court-house. Sub-section 3 is as follows:

No report of the trial or other disposition of a charge against a child, in which the name of the child or of its parent or guardian is disclosed, shall, without the special leave of the judge, be published in any newspaper or other publication.

Mr. LEMIEUX: I am aware of this, but, unfortunately, I can point to some instances where the reports were published, much against the view of those who take an interest in these courts.

Bill reported, read the third time and passed.

At one o'clock the House took recess.

The House resumed at Three o'clock.

FARMERS BANK DEPOSITORS.

On motion of Hon. W. T. White (Minister of Finance), the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair:

That it is expedient to provide that there may be paid and applied from and out of the consolidated revenue fund of Canada, a sum not exceeding in the whole one million two hundred thousand dollars to pay to persons who were creditors for money on deposit in the Farmers Bank of Canada, the respective amounts standing at their credit in the books of the bank when the bank suspended payment.

Mr. OLIVER: Is there any understanding in regard to this Bill? I do not know

what the intention of the leader of the Opposition is.

Mr. WHITE: I understand that, following the usual course, the principal discussion will take place upon the second reading. In the meantime, I shall be very glad to explain in a general way, if any gentleman desires it, the reasons for the Government's proposals.

Mr. A. K. MACLEAN: Perhaps the minister might give a brief explanation.

Mr. WHITE: My hon. friend from Halifax having asked me to explain, I may say that the proposals of the Government embodied in this resolution are founded upon the report of Sir William Meredith, now Chief Justice of Ontario, who, it may be recalled, was in 1912 appointed a commissioner to investigate the affairs of the Farmers Bank of Canada from its incorporation. His report, we submit, establishes that the certificate of the Treasury Board, which, under the Bank Act, was necessary before the bank could open for business, was obtained by false and fraudulent representations. In this connection, I might call attention to the first paragraph of page 8 of the printed report of the commissioner, which reads as follows:

> My conclusion on this branch of the inquiry is that the Treasury Board was induced to give its certificate by false and fraudulent representations on the part of Travers, and that if the facts I have mentioned as to the way in which the $250,000 was made up had been disclosed, the certificate of the Treasury Board would not have been given.

I might also draw attention to section 3 of page 9 of the report, which reads as follows:

> It is true that, as Mr. Fielding stated in evidence, Travers, so far as he knew, was a reputable banker; but that was not, in my opinion, a sufficient reason for not having instituted an inquiry as to the matters which had been called to his attention. Such an inquiry could easily have been made, and the delay occasioned by it would have been inconsiderable, and such an inquiry would, undoubtedly, have resulted in the discovery of the manner in which the $100,000 had been raised and in the refusal of the Treasury Board to give the certificate.

The report of the commissioner further establishes negligence on the part of the Treasury Board in the issue of the certificate. Paragraph 6 of page 8 of the printed report of the commissioner is as follows:

> I do not suggest that the minister would have been justified because of the information conveyed to him in recommending that the certificate should not be granted, or that the Treasury Board because of it would not have been justified in refusing to grant it, but, having received the information, it was in my opinion incumbent on the Treasury Board to have investigated the charges that had been made before coming to a conclusion as to whether or not the certificate should be given.

Briefly, the inquiry referred to in this paragraph would have shown that Travers, the general manager, and wrecker of the bank, had made a false declaration to the Minister of Finance and to the Treasury Board. It would have shown that the provisional directors had made a five years' contract with Travers, and put him in control of the organization and business of the bank. I would call attention, in passing, to paragraph 3 on page 5 of the report:

> It appears clear from these agreements and resolutions that what was intended was to sell the charter of the bank to Travers and to put him in control of its organization and business, and that the provisional directors should abdicate their functions and act in accordance with his directions, and that is what followed.

If the certificates had not been granted the bank would not have commenced business; or if, afterwards, the provisions of the Bank Act had been strictly complied with the bank would not have started business with Travers as its general manager. because if the Treasury Board had made the inquiry which the commissioner finds it was incumbent upon them to have made, the character of Travers would have been disclosed. Of course, if the bank had not started business, or if, starting business it had been under prudent and honest management, the loss which followed would not have ensued to the depositors.

Mr. A. K. MACLEAN: After all, is not the finding of the commissioner that if the bank had not started there would not have been any loss?

Mr. WHITE: I do not think the commissioner explicitly finds that. I am arguing that if the certificate of the Treasury Board had not been given the bank could not have opened its doors for business.

Mr. MACLEAN: And thereby there would not have been any loss?

Mr. WHITE: Therefore, there could not have been any loss. If, on the other hand, at a later date, the provisions of the statute had been complied with, if $500,000 of bona fide subscriptions had been received, and $250,000 in cash paid thereon, as required

by the Bank Act then, assuming this inquiry had been made it would have been impossible for Travers to have been placed at the head of the bank, because the inquiry, which the commissioner finds it was incumbent on the Treasury Board to have made, would have disclosed that Travers had perjured himself in the statutory declaration which he made to the Minister of Finance. But, by reason of the negligence of the Treasury Board, as established by the commissioner, the bank was allowed to start on its ill-fated career, and with Travers as general manager at its head—Travers, whom the Treasury Board would have discovered, if they had made the necessary inquiry, a man who had perjured himself in his declaration, and was wholly undependable and unreliable. That, in a general way, is the argument in favour of the Government proposal in this matter. Without elaborating further, because I understand the debate is to take place upon the second reading of the Bill, I shall place upon 'Hansard' a statement as to the position of the bank, furnished by the liquidator under date of May 1, 1914, just a few days ago. The statement is as follaws:

Toronto, May 1, 1914.

In the matter of the Farmers Bank of Canada —Approximate statement of affairs.

Liabilities.

Circulation, with interest, outstanding		$332,133 00
Deposits due to provincial Government		26,533 00
Deposits—		
Savings and current	$1,134,425 00	
Less, deposits after hours paid	389 20	
		1,134,035 80
Drafts issued outstanding		23,690 00
Due to creditors for moneys collected		13,704 00
All other claims		20,754 00
		$1,550,849 80

Assets.

Deposits with Receiver General to secure circulation		$ 21,000 00
Bank premises and furniture—valued at		3,500 00
Mining properties—valued at		2,500 00
Real estate and mortgages held		40,286 00
Value of accounts and bills receivable—say		47,303 00
		$ 114,589 00
Double liability—estimated value of uncollected portion		120,779 00
Keeley mine—option price		150,000 00
		$ 385,368 00

In regard to the last named item, the Keeley mine, option price $150,000, I was advised by the liquidator on April 3 that he expected that the option would be exercised by the parties who hold it. It must be exercised within the next two months and, I understand, that $10,000 has been paid down for the option. I have been told by the liquidator that ore to the amount of $30,000 or $40,000 has been blocked out which will belong to the liquidator in the event of the option not being exercised. He seems to be of the opinion that the option will be exercised and that the mine will realize $150,000. Consequently, it has been included in the list of assets of the bank. From this statement, including all assets upon which, in the opinion of the liquidator, it may be hoped there will be realization, it will appear that the depositors both on savings and current accounts, will receive nothing. In addition to the liabilities mentioned here there will be the cost of the liquidation which will be fairly heavy. There will be the remuneration and disbursements of the liquidator and the legal costs.

Mr. A. K. MACLEAN: What will they get from the double liability?

Mr. WHITE: The liquidator estimates that the double liability will produce $120,779.

Mr. MACLEAN: Will the Government get the proceeds of the option on the Keeley mine if it is exercised by the option holder?

Mr. WHITE: The proceeds of the option on the Keeley mine, as I explained, are included in this statement of assets and with that included there will be nothing left for the depositors on savings and current accounts. In the Bill which I propose to introduce, the Government upon payment of the depositors, will be subrogated to their rights in the liquidation. In the event of there being any balance, that would belong to the Government and the Government would be entitled to the benefits of the subrogation.

Mr. SINCLAIR: Will the parties who have money on credit with the bank, though without having it actually on deposit, get any benefit from this legislation?

Mr. WHITE: The Bill covers only depositors on current and saving accounts; it does not cover those who hold drafts or money orders on the bank.

Mr. A. K. MACLEAN: I noticed in the press a statement to the effect that there was some agreement existing between the depositors and the shareholders as to the partition of any amount received from the Government under this Bill. Will the minister inform the House if he knows of any such payment, and if so, what is the nature of it?

Mr. WHITE: I have no authentic information respecting the agreement in question. I have seen in the press, no doubt the same reports that my hon. friend has seen, in which it has been stated that depositors, of their own motion, would contribute such an amount from the sums which were received from the Government as would relieve the shareholders from their double liability, but I have no official knowledge of it nor do I know whether all the depositors, or, if some, how many, have entered into such an agreement. My information is hearsay only, as, I understand, is the case with my hon. friend.

Mr. PROULX: The minister stated that the Government would be subrogated in their rights; will the Government exact the double liability from the shareholders?

Mr .WHITE: The Government would not be in a position to exact anything. The liquidation is under the Dominion Winding-up Act, and it would be the duty of the liquidator to carry out his liquidation under the provisions of that Act. That would include the question of double liability. After all the liabilities are paid and the costs and expenses of the liquidation provided for, in the event of there being a surplus which would be available for the depositors on current and savings account, the Government would be subrogated to their rights in respect of such surplus available for them. But I must state to my hon. friend that the question is not likely to arise, for the reason that the liquidator has included in this statement, which I have placed upon 'Hansard,' the sum of $120,779 as the estimated value of the uncollected portion of the double liability, and even with that amount included the assets would appear to me, on the statement insufficient to meet the liabilities other than those to depositors. So that, in so far as the subrogation clause is concerned, I do not suggest that the Government will receive anything in respect to it, so far as I can judge from the statement which has been furnished me by the liquidator.

In concluding my remarks, which have been general in character, and reserving what I have to say in greater detail to the second reading of the Bill, I desire to call attention to the remarks of the commissioner on page 10 of the printed report as to the conduct of the bank under Travers and the nature of the failure of the bank. He says:

> The subsequent management of the affairs of the bank was characterized by gross extravagance, recklessness, incompetency, dishonesty and fraud, and has resulted in the entire loss of the paid-up capital and the whole of the deposits, and that after allowing for all that can be extracted from the shareholders on their double liability a loss amounting to no less than $1,806,437, making a record unparalleled in the history of any bank in Canada, or, as far as I am aware, in any other country.

For the present, that is all I desire to say with regard to the resolution.

Mr. GUTHRIE: Does the minister intend to safeguard the depositors irrespective of the shareholders? It is known to a great many members of this House that copies of an agreement have been sent, I presume to all of the shareholders, asking that they sign them. This agreement provides in the main that if the depositors receive their deposits they will pay thirty per cent. of them for the benefit of the shareholders, so that there may be no double liability upon the shareholders. I do not know that any one in the constituency I represent is interested particularly in the matter, but I have several clients from adjoining counties who have consulted me on that point, and I know from others that copies of this agreement have been sent them, and also letters, threatening them that if they do not sign they will not get anything.

Mr. WHITE: I ask merely for information; is my hon. friend aware as to how far these agreements have been signed, because I am not?

Mr. GUTHRIE: No, but I know from some hon. members in this House that they have advised the depositors to sign, and I would like to know if it is the intention of the minister or of the Government to safeguard the depositors, even those who have signed these special agreements.

Mr. WHITE: How do you mean to safeguard them?

Mr. GUTHRIE: To see that the money is actually paid to the depositors, and we can do that by inserting a clause rendering

null and void any agreements that have been heretofore signed.

Mr. WHITE: The Government's action in this matter is not dependent in any degree whatever on what depositors may or may not do with their money. As I stated to my hon. friend from Halifax, I have no knowledge, except of a hearsay character, as to the agreement or agreements which have been referred to. If the depositor receives payment from the Government of Canada, I suppose it will be his money to deal with as he sees fit. It is the intention that these cheques shall be sent to the depositors themselves, from the Finance Department, when this Bill becomes law. Further than that, I do not see how it is possible to fetter the action of the depositors when they receive the money. My hon. friend has suggested that a clause might be inserted in the Bill that would safeguard the depositors, but if the depositor desires to use his money in a certain way after he receives it, I do not see how we can restrict him in what would appear to me to be his undoubted right. A question would also arise as to any agreements which he may have signed—and I have no knowledge as to how many of such agreements have been signed—as the question of how far a person has bound himself by contract would appear to me to be concerned with property and civil rights, unless, of course, it came exclusively under the jurisdiction of the Dominion Parliament and we were dealing with it by legislation. If we discuss that here we will get into pretty deep legal waters.

Mr. GUTHRIE: If the cheque is sent to the individual depositor and not to any representative of the depositors, I think that will pretty well safeguard it.

Mr. WHITE: My idea is to send it direct.

Mr. A. K. MACLEAN: The legislation which the Government purposes founding upon the resolution we are now considering is, I think, very regrettable indeed, and is establishing an extremely bad precedent. Further, I believe this legislation is proposed in face of the pretty strongly and generally expressed opposition of the people of this country. However, as the minister has suggested that it is more fitting that the discussion in detail upon the proposed Bill be postponed until the second reading, I agree in that. I would like to ask the minister a question or two in respect to some returns I asked for the other day. In the first place, I asked for a return giving the names of the depositors with the amounts of their deposits. I understand that the return has been placed upon the table of the House, but I believe it is very voluminous. My reason for requesting that return was that I wanted to ascertain what was the average amount deposited by each depositor. I would like to inquire if it is possible for the minister to direct that a statement be prepared by his officials between now and the second reading of the Bill, showing the number of depositors with amounts between one dollar and $1,000, and between $1,000 and $2,000, and so on, deposited by each.

Mr. WHITE: I think I can give the hon. gentleman that information now.

Mr. A. K. MACLEAN: I would be glad if the hon. minister would put it on 'Hansard.' I want also to call the minister's attention to the fact that I asked for a return showing the amount of deposits at the end of each year beginning with 1906, the year of incorporation, and ending with 1910, the year the bank was suspended. If my hon. friend could give me that information now and place it upon 'Hansard,' I would be much obliged. Further, when the minister rises, I would like him to explain upon what principle the Government has decided to decline to meet the petition of the shareholders, and upon what principle he differentiates between the claims made by the shareholders and the claims made by the depositors.

Mr. W. T. WHITE: Answering my hon. friend in detail, I laid upon the table, I think in his absence, the other day, a list of all the depositors of the Farmers Bank, upon both current and savings accounts. I have also laid upon the table the return to which he has referred showing the amount of deposits on current and on savings accounts as of the close of the years, 1907, 1908, 1909 and 1910. My hon. friend has not seen that return, but it was laid upon the table within the last two or three days.

Mr. ROSS: Has my hon. friend laid upon the table a list of the shareholders; if not, will he do that also?

Mr. WHITE: I have not been asked for that, and I have not such a list. I think, however, I can obtain it and lay it upon the table later on. My hon. friend from Halifax has desired to obtain some infor-

mation as to the number of the depositors, as to the amount of the average deposit and as to certain of the larger depositors. I have a memo as to that, because I asked for it myself from the liquidators, before my hon. friend made his request. The memorandum is as follows:

Total number of depositors	6,779
Total deposits, including deposit receipts	$ 1,134,036.00
Average deposit	167.00
Ten largest deposits:	
Township of West Zorra, Embro	18,741.09
J. O. Hayam, Camden East	15,115.19
Township of Wormington, Millbank	10,674.96
Imperial Fire Insurance Company, Toronto	8,226.78
R. Harman, treasurer, Township of Scott, Zephyr	6,485.91
J. Sevana, Brucefield	6,347.13
A. Fraser, Embro	5,566.73
Corporation of Equesing, Norval	4,448.59
A. Lyons, Kerwood	3,747.24
Fort William Land Investment Company, Toronto	3,732.56
Deposit receipt, A. Armstrong, Belleville	$ 11,206.40

The deposits will run from a few cents up to these large amounts.

Mr. A. K. MACLEAN: Does the memorandum proceed any further than my hon. friend has read?

Mr. WHITE: No. If my hon. friend would like to have the number of depositors havings deposits between the several thousands I can get that information, if he thinks it is essential for the discussion of the Bill.

Mr. MACLEAN: I would like to see it.

Mr. WHITE: I will endeavour to get the information.

Mr. ROSS: Is my hon. friend going to allow the depositors any interest on their deposits?

Mr. WHITE: I do not think the depositors will insist upon interest.

Mr. ROSS: The same principle will apply.

Mr. WHITE: You are speaking of the interest, not the principal.

My hon. friend from Halifax has asked as to how we differentiate the shareholders from the depositors. I think that is an easy differentiation. The shareholders of the bank are the proprietors of the bank; they elect their directors; the directors select or continue in office the manager and other officers having under their control the administration of the bank. We cannot see any principle upon which the Government is justified in affording relief to the shareholders, because, as I have said, the shareholders are the proprietors, the owners of the bank, carrying on its business subject to the provisions of the Bank Act. If their directors, or the agent or agents of their directors, are dishonest or, by incompetence, extravangance or fraud, dissipate the assets of the bank, the shareholders cannot be heard to say that they have any claim for relief.

Mr. LEMIEUX: The other day I put on the Order Paper a question which was answered by my hon. friend, and which was as follows:

> Does the Government intend to reimburse the depositors of La Banque Ville Marie, La Banque du Peuple, and La Banque de St. Jean, three banks that have failed during the last fifteen or sixteen years?

My hon. friend answered 'no.' Since getting that answer I have received some letters. The county of Rouville, which I represent, the county of St. Jean, and Iberville and in some degree the county of St. Hyacinthe have been very deeply mulcted by the failure of La Banque de St. Jean two years ago. Especially in the parishes of St. Césaire, St. Paul, Marieville, Ste. Angèle and L'Ange Gardien; many of my electors, many widows and many minors have been practically ruined by the failure of that bank.

As regards La Banque Ville Marie, I know perhaps more intimately the cause of the failure, because at that time I was practising law in Montreal; and I, with Mr. Greenshields K. C., happened to be retained as counsel to defend some of those who were arrested in connection with the failure of the bank. We all know that the president and the manager were sent to jail, and that many people were ruined as a consequence of the failure.

We also know the causes of the failure of La Banque du Peuple. The manager had to leave the country and died in Chicago, ruining a large number of people. La Banque du Peuple, after the bank of Montreal, is the oldest in Old Canada, and the oldest amongst the French-Canadian families had their fortunes more or less involved in that bank. My hon. friend will understand that I am sincere in asking this explanation. The people who have been affected by the failure of these banks will hardly understand why there is a differential treatment in their case. I might tell

my hon. friend that the management of La Banque Ville Marie and La Banque de St. Jean, and perhaps in a less degree of La Banque du Peuple, was characterized by the same recklessness as is described in the report signed by Chief Justice Meredith. When I recall what took place after the failure of La Banque Ville Marie, and of what took place before the court subsequent to the failure of La Banque St. Jean, I say this language applies exactly to those cases:

> The subsequent management of the affairs of the bank was characterized by gross extravagance, recklessness, incompetency, dishonesty and fraud, and has resulted in the entire loss of the paid-up capital and the whole of the deposits.

I say this language applies exactly to the management of these other banks. And the people will not understand why different treatment is meted out to those who lost their money in these banks and those who lost their money in the Farmers' Bank. Now, my hon. friend should give an explanation to the country, to the unfortunate depositors and shareholders—or let me say depositors, for I understand that the shareholders are not to be reimbursed—he should give an explanation to the unfortunate depositors of these banks setting forth the reason why they are not treated in the same way as the depositors of the Farmers' Bank are treated. I ask that in all sincerity and all frankness, reserving any further criticism of the subject for the present.

Mr. W. T. WHITE: I observed that my hon. friend was not in his place during the earlier part of my remarks upon the resolution. I supplied then the reason for the Government's action in bringing in a measure to reimburse the depositors in the Farmers Bank. He has referred to the consequences of certain bank failures. We all agree that in this and in all other cases of bank failures, the results have been most tragic—I think that is the word he used—to those who have lost through the failure of these banks and by the incompetence, fraud, and dishonesty of those in charge of those banks' affairs. My hon. friend has fixed upon one part of the report of the commissioner, at page 10, which he quotes, and he says that these remarks of this commissioner would apply equally to all the banks which he has drawn to my attention. But I would point out to him that the Government is not taking this action because of the fact that the banks' administration was characterized by 'gross extravagance, recklessness, incompetency, dishonesty and fraud', to use the words of the commissioner—

Mr. LEMIEUX: The hon. gentleman himself quoted that.

Mr. WHITE: I quoted that passage to show the character of the administration of the bank, but I say that the Government's action is not on that ground, or rather not solely on that ground; but, as I pointed out at the outset of my remarks, is based upon the finding of the commissioner, now Chief Justice of Ontario, which, I submit, shows conclusively that the conditions prescribed by the Bank Act as precedent to the issuance of the certificate of the Treasury Board had not been complied with, that the certificate had been obtained by fraud and dishonesty, and that the Treasury Board had been negligent in issuing it. The basis of the Government's action is negligence on the part of the Treasury Board, and I will read for the benefit of my hon. friend the portion of the report that I read during my remarks at the beginning of this discussion. I read from the printed report of the commissioner, page 8, first paragraph:

> My conclusion on this branch of the inquiry is that the Treasury Board was induced to give its certificate by false and fraudulent representations on the part of Travers, and that if the facts I have mentioned as to the way in which the $250,000 was made up had been disclosed, the certificate of the Treasury Board would not have been given.

I read paragraph 6 on the same page:

> I do not suggest that the minister would have been justified because of the information conveyed to him in recommending that the certificate should not be granted, or that the Treasury Board because of it would not have been justified in refusing to grant it, but, having received the information—

That is to say, in reference to the fraud which was being practised by Travers.

> —it was in my opinion incumbent on the Treasury Board to have investigated the charges that had been made before coming to a conclusion as to whether or not the certificate should be given.

It was 'incumbent upon the Treasury Board.' That is it was the duty of the Treasury Board, which duty the Treasury Board did not fulfil. Now, breach of duty is negligence. Therefore, the basis of the Government's action is negligence on the part of the Treasury Board which issued the certificate after express notice received that there had been irregularity. If the Treasury Board had made the inquiry which the commissioner says it was incumbent upon them to make, the bank would never have opened its doors for business, or if the

irregularities had been cured subsequently, the bank would never have opened its doors for business with Travers as general manager, because the inquiry which the commissioner says it was incumbent upon the Treasury Board to make would have disclosed the fact that Travers was a perjurer and a wholly unreliable person. And I pointed out that Travers had a five years' contract with the directors of the bank. The result was that the bank was launched—the provisions of the Bank Act not having been complied with—with Travers at its head and with consequent loss to the depositors. Now, my hon. friend says: How do you differentiate this case from the case of the other banks? It is not the policy of the Government, I repeat—it has never been the policy of any government in Canada—to reimburse depositors or other creditors of banks that have failed. Where I differentiate this case from the cases that have been drawn to my attention and all other cases is this,—that this Treasury certificate should not have been granted. That certificate was granted by the Treasury Board, and the Government is responsible for the action of the Treasury Board, at least morally; and the Treasury Board's action in this case was negligent, according to the findings of the commissioner. The hon. member for Rouville says that the people will not understand. But in view of the explanation I make, the people will understand. And I am aware that, now that I have made the explanation, he will help me to get the people to understand. If he will reply to the parties who have written to him, or if when he is upon the platform as he frequently is in dealing with political matters, he will say, that the Government's action in this case does not form a precedent, because in no other case has there been established negligence in the issue of the certificate, the people will understand and no misunderstanding will arise as to the action of the Government.

I repeat—although it would seem to me to be an unnecessary repetition—that the principle of the Government's granting relief in this case is the negligence of the Treasury Board, and the loss which resulted to the depositors of the Farmers' Bank as a natural consequence and outcome of that negligence.

Mr. DEVLIN: May I ask the minister if this sum is to be paid in lieu of damages?

Mr. WHITE: No one has contended that these depositors have a legal right against the Government which they could enforce by action. The Government's course is not based upon its legal liabilities, although I think on legal principles the Government is bound to reimburse these depositors. I think it can hardly be said, therefore, that payment by the Government is compensation for damages sustained by the depositors.

Sir WILFRID LAURIER: This is not the occasion upon which to discuss the principles involved in this Bill; that discussion will come more properly on the second reading. But without waiting for that occasion, I must at once protest against the imputation—not only the imputation, but the charge—made by my hon. friend against Mr. Fielding: that he was guilty of negligence in issuing the certificate.

Mr. WHITE: I made it against the Treasury Board, on the finding of the commissioner.

Sir WILFRID LAURIER: The Treasury Board was presided over by the Minister of Finance of the day; therefore the expression of my hon. friend the present Minister of Finance, no matter in what language it may be clothed, implies—not only implies, but asserts—that his predecessor in office was negligent of the duties incumbent upon him. I protest against the language of the Minister of Finance and say that he has no reason for making such a grave assertion against a man of Mr. Fielding's character. I call the attention of the committee and of my hon. friend especially to the language of Mr. Justice Meredith, page 9 of the report:

> There is, in my opinion, no ground for supposing that any improper influence was used to induce the Treasury Board to give the certificate or to induce the Minister of Finance to recommend the granting of it, and the most that can properly be charged against the Department of Finance or the Treasury Board is an error of judgment.

Error of judgment and negligence are two different things. Error of judgment cannot be called negligence of duty; it is an error in itself. But when you imply negligence, you imply that the party alleged to be guilty of that negligence did something which should not have been done and could not have been done without violating the moral law.

Mr. WHITE: Oh, no, not the moral law.

Sir WILFRID LAURIER: I say that a man who is guilty of negligence has violated the moral law, and a violation of the

moral law is, in my opinion, a fault, if not a crime. But nothing of the kind can be charged against Mr. Fielding. The judge's finding upon this matter is that Mr. Fielding would have been better advised if he had prosecuted his inquiry more than he did; that is all. Therefore the imputation which my hon. friend wishes to make does not apply in this case. If there was negligence on the part of Mr. Fielding the question of how far the Government would be responsible would be a very different question; the Government would be responsible morally, if not otherwise. If a minister of the Crown has made an error of judgment, it is simply a question of his having made a mistake which has no legal or moral consequences. Of course, there may have been political consequences. It is always a serious charge that there has been an error of judgment, but we are all liable to err, and, after all, if the only charge that can be made against a minister of the Crown who has been fifteen years in office is that upon a certain occasion he committed an error of judgment, the charge is but a minor one. As I have said, this present occasion is not the time to discuss the Bill, but I say it is not fair to Mr. Fielding to say that he has been guilty of negligence. The charge against him is one of error in judgment; let that pass until we come to the second reading of the Bill.

With regard to the matter which has been brought up by the hon. member for South Wellington—the assignment of claims on the part of depositors—the hon. Minister of Finance said that the money was to be paid to the depositors and that what they should do with their own money was their own business, not his. I agree with that, but at the same time there is another aspect of this case which must receive consideration. I have myself received a letter from an elderly lady telling me that she was almost forced to make an assignment of her claim to the shareholders. While the minister has nothing to do with that, as I do not think it can be provided against in the Bill, I think it would be well that it should be understood that no assignment of claim, whether partial or total, will be encouraged by the department, but that cheques shall be issued to the depositors. No assignment of claim should be admitted; if that is understood I shall be satisfied.

I have a question to ask my hon. friend with regard to the Keeley mine.

4 p.m. Travers assigned that mine property which is alleged to be of the value of $150,000. Mining property is of a very unstable character; its value may be very high to-day and very low to-morrow. Upon what basis is the optional price put at $150,000?

Mr. W. T. WHITE: I have no information except the statement of the liquidator that an option for $150,000 has been given; that it is to be exercised within the next two months and that it is his view that it will probably be exercised.

I desire to take exception to the assertion of my right hon. friend that I have imputed, by using the term negligence, moral culpability to my predecessor in office. I call the committee to witness that I have upon every occasion dealt as fairly and justly as I believe it is possible for a man to deal with my predecessor and his course in this House—

Sir WILFRID LAURIER: Hear, hear.

Mr. WHITE: Because he is not here to defend himself. I always bear in mind the saying of Lord Bacon, that you should be tender to the memory of your predecessor because some day you may be a predecessor yourself. It may be that as to the question of negligence there is a distinction between the French law and the English law, but I may point out to my hon. friend—and there is not an English lawyer in the House who will not support me in the opinion which I now express—that an error of judgment may constitute negligence and that negligence does not necessarily imply moral culpability of any kind or nature whatsoever. For example, at common law a man may be negligent who miscalculates distance upon the street in driving his conveyance, if an accident results, causing damage. A man is bound to exercise the care which an ordinary man would exercise in his conduct towards his fellowmen. A man, by mere error of judgment involving no suggestion of moral obliquity, may become responsible at common law for negligence and its consequences. I did not mention, except in so far as I read it from the report of the commissioner, the name of my predecessor, but, of course, I am advancing to the committee the reasons for this legislation and I must advance them as they exist. The reasons for this legislation are that, according to the finding of Sir William Meredith, the commissioner, the Treasury Board did not do what he says it was incumbent upon the Treasury Board to have done. I lay it down as a principle of law which cannot be

controverted that if it is incumbent upon an individual or public body to do something and that individual or public body does not discharge that duty which it is incumbent upon him or them to discharge, that constitutes negligence. I have stated that no legal rights accrue to the depositors against the Government, but I was seeking to justify—and I think I have justified—the action of the Government on the analogy of legal principle, and, therefore, it was perfectly proper for me—and I do not think my course can be animadverted upon at all—to establish, from the finding of the commissioner, that the Treasury Board had been negligent in the issue of the certificate. I have said, and I repeat, that that does not by any means mean that my predecessor in office was guilty of any moral lapse or obliquity in the discharge of his duties as chairman of that board. My hon. friend from Halifax (Mr. Maclean) has quoted a paragraph from the report. I may say that the commissioner is there dealing with the question of whether money had been used by Travers to procure the issue of the certificate. It had been suggested that there was some impropriety connected with the issue of the certificate; that Travers had used money to purchase, so to speak, the certificate, and it was in dealing with that aspect of the case that the commissioner made the remarks my hon. friend has quoted. The commissioner says:

> There is, in my opinion, no ground for supposing that any improper influence was used to induce the Treasury Board to give the certificate—

I have not for a moment suggested that there was.

> —or to induce the Minister of Finance to recommend the granting of it,—

I have never suggested that it was so used.

> —and the most that can properly be charged against the Department of Finance or the Treasury Board is an error of judgment.

I submit that that error of judgment under the circumstances was negligence, or what we call negligence at the English common law—failure, either through lack of judgment or otherwise, to discharge the duty which the commissioner finds it was incumbent upon them to discharge.

Sir WILFRID LAURIER: Are you going to proceed legally on this question?

Mr. WHITE: No, because, as I have said, the negligence cannot be established as against the Crown, or as against a minister of the Crown acting in his capacity as minister. What I have sought to do is to show that on legal analogy the action of the Government is justifiable by reason of the fact that the negligence to which I have referred on the part of the Treasury Board was the primary and original cause of the loss of this money to the depositors.

Mr. A. K. MACLEAN: Do you say that was the finding of the commissioner? Because he finds to the contrary.

Mr. WHITE: Of course, we knew before this report was issued that it was fraud on the part of Travers, and the recklessness and extravagance of his management, that brought this loss to the depositors of the bank; but my argument is this: if the Treasury Board had done what they should have done—in other words if they had not been negligent—then the character of Travers would have been discovered, the certificate would not have been issued, the bank would not have started, and there would have been no loss to the depositors.

Mr. A. K. MACLEAN: If a man was never born he would never sin.

Mr. WHITE: No certificate, no bank and no Travers; no bank or no Travers, no loss to depositors. That is the chain.

Mr. MACLEAN: I think the commissioner meant to ridicule that position.

Mr. WHITE: I do not think he made any attempt to ridicule that position. The commissioner says in the concluding portion of his report:

> Notwithstanding the irregularities on the part of Travers and his misconduct in connection with the application for the certificate, which I have mentioned, the evidence satisfies me that if the bank had been prudently and honestly managed there is no reason why it should not have succeeded.

Mr. CARVELL: Why blame Mr. Fielding?

Mr. WHITE: I agree with that. It is perfectly obvious that if the bank had been honestly managed there would have been no loss.

Mr. A. K. MACLEAN: Is the Government not attempting to pay a political obligation? It appears that way to me, because the minister seems driven very hard to invoke some principle on which to base this legislation. The commissioner expressly finds that the failure of this bank

and the losses sustained by depositors were due to the negligent and criminal mismanagement of that institution by Travers. I think there is no sound reason for this legislation on that ground, and I inquire if it is not really an attempt on the part of the Government to liquidate by legislation a political obligation.

Mr. WHITE: I can only say in answer to my hon. friend that I do not know of any political obligation that the Government has to discharge, and it might be that my hon. friend from Middlesex (Mr. Ross) could answer that question better than I can. I have given the grounds for the Government's action and, I think, strong and cogent reasons justifying this measure of relief to the depositors.

Mr. ROSS: As far as I am personally concerned, I have no political obligations to discharge in connection with the Farmers Bank, and in that regard I am probably in a more enviable position than the minister's colleagues. It seems to me that either the minister's argument goes too far, or that his Bill is not going far enough. If, as he says, the reason for this relief being given is that there was negligence on the part of the Finance Minister and the Treasury Board in the initial stages, that negligence caused loss to the shareholders as well as to the depositors, and if the basis is as he says, he should go further and help the shareholders as well as the depositors. Either his reasoning is not good, or his assistance to those who lost in the Farmers Bank does not go far enough. I think that what the hon. member for Halifax has suggested is probably correct, that the Government by this expenditure of $1,200,000 is trying to discharge some political obligations with which they have encumbered themselves. I do not believe that the Finance Minister, in his heart, believes that this is a good principle to establish. Speaking for myself, I think this is an exceptional case, and I do not think it should be allowed to become a precedent in connection with the banking affairs of this country. I may say plainly to the House that considering the greatness of the disaster in Ontario through the failure of the Farmers Bank I, personally, am in favour of repaying the depositors for two reasons, and probably more: firstly, because the injury to the farmers of this country is so widespread and deeply felt; and secondly, because as a matter of principle—I know the minister does not agree with me in this—the depositors of every chartered bank in this country should be protected. I think the Government should compel the banks themselves to give this protection, and because they have not done so is sufficient reason for the minister assisting the Farmers Bank depositors at any rate. But I think the Government should go farther, and if the minister's argument is good, and in some way assist the shareholders also. If the minister did that—as has been agreed upon between the depositors and shareholders—it would be perfectly right so far as I can see, in this very exceptional case, which however, by proper legislation being enacted as I advocated last session should not be allowed to become nor could it become a precedent.

We had no branch of the Farmers Bank in my riding but some of the depositors did live in that riding, and I know depositors and shareholders who have suffered. They were both misled by the same fraud, misrepresentation and dishonesty. When the minister puts his proposed assistance upon the ground that he has, it is the duty of the Government to go farther than they have done or put their assistance upon some other ground.

Mr. LEMIEUX: In view of what has been said by my hon. friend the Minister of Finance (Mr. White), would he not consider an application on behalf of the depositors of La Banque Ville Marie, La Banque du Peuple and La Banque St. Jean? I think that when my hon. friend is made aware of the facts in connection with the failure of these banks he will find that representations were made to the officers of the Finance Department at the time that the aforesaid banks were mismanaged. The people have it in their heads that if the officers of the Finance Department had been more diligent perhaps the failures might have been averted. I would like to have an answer from my hon. friend whether in view of this legislation, in view of the fact that the Farmers Bank depositors are compensated, he will consider my application. Some years ago the then hon. member for Jacques Cartier, Mr. Monk, —and my right hon. friend the Prime Minister (Mr. Borden) will remember it—took very strong ground in this House that the depositors in La Banque du Peuple should be recouped their losses. My hon. friend the Minister of Finance says that this legislation is based on the fact that an error of judgment was committed by the Treasury Board. I have always been educated under

the British constitutional system to the notion that the King could do no wrong. Can we not compare the action taken by my hon. friend in so far as the Treasury Board is concerned with the action which might be taken by the Minister of Justice, for instance in a case of miscarriage of justice? My hon. friend contends that he does not recoup the depositors of the Farmers Bank because of the crookedness, extravagance or perversity of Travers and his associates but because forsooth, an error of judgment was committed by the Treasury Board. Now, Sir, is not the Government also responsible for the administration of justice? The appointment of judges is made by the Minister of Justice after a recommendation is brought before Council. You appoint a judge, say in my district; he is supposed to be well versed in the law, honest and sober. He goes on the Bench, a case is brought before him, and, as a result of his inebriety, or his dishonesty, or ignorance of the law, he ruins the litigant coming before him—would not the litigant in that case be as much entitled, as a result of your error of judgment in appointing that judge, to receive compensation from the Government as the depositors of the Farmers Bank are to-day? The unfortunate appointment was made by the Government of a man supposed to be well versed in the law and to be honest, and yet the momen' he sits on the Bench he becomes dishonest, displays ignorance of the law, and as a consequence he ruins the litigants by his judgments—I ask again have not the litigants recourse against the Government? If we must accept the dictum of my hon. friend the Minister of Finance in the case of the Farmers Bank depositors the ruined litigants would have logically the same recourse. I think that this legislation, as my hon. friend from Bonaventure (Mr. Marcil) stated a moment ago, creates a grave precedent, and if my hon. friend refers to the conservative press of the country—and when I use the word 'conservative' I apply it not only to the press of the Conservative persuasion, but, in its proper and wider sense—he will find that this legislation is very much deplored indeed. In my judgment, if the Government must reimburse the Farmers Bank depositors, the depositors of the Banque du Peuple, the Banque Ville Marie and La Banque St. Jean—my electors—should receive similar treatment, and for my part, I will try and see that they agitate to get justice the same as the Farmers Bank depositors have.

[Mr. Lemieux.]

Mr. NICKLE: My understanding was that there was to be no debate on this subject this afternoon and I did not come prepared to speak with regard to the question. But as the hon. member for West Middlesex (Mr. Ross) has stated quite clearly that he is in favour of this proposition, I think it is only fair perhaps that I should state that I am equally strong against it. I may have some difficulty possibly in exactly placing before the House why I am not in favour of this legislation. In the first place, I cannot follow the logic of my hon. friend the Minister of Finance (Mr. White). He lays down as a fundamental principal that the ground of negligence is that upon which he goes and he states that one of the fundamental principles of the law negligence is that the primary negligence is the basis of the action. That is not my understanding of the principle of negligence in law. Responsibility results not because there was negligence primarily, but when the negligence complained of was the efficient or proximate cause of the loss. In this particular case surely the commissioner in his finding makes that abundantly clear. He says:

> Notwithstanding the irregularities on the part of Travers and his misconduct in connection with the application for the certificate, which I have mentioned, the evidence satisfies me that if the bank had been prudently and honestly managed there is no reason why it should not have succeeded. The promissory notes that had been given by subscribers were for the most part good and were subsequently paid, and while it is true that if the certificate of the Treasury Board had not been granted the money of the shareholders and depositors would not have been lost—

If there had never been a Government and never been a bank certainly the money would not have been lost. The commissioner goes on to say:

> The efficient cause of that loss was the recklessness and fraud of those entrusted with the management of the bank, and not the granting of the certificate.

In the face of that finding it seems to me that the Government is establishing a most obnoxious and pernicious principle in giving effect to this legislation. I was one of those who, last year, fought most strenuously in the Banking and Commerce Committee for a more close and efficient supervision of banking affairs by the Government through the regulation of inspectors. After a few weeks of strenuous battling in that committee the Minister of Finance finally agreed that the list of auditors named by the bank should be submitted to his department for its imprimatur or approval be-

fore appointment. That is the law to-day. If this House adopts the principle that an error of judgment on the part of an official of the Government obligates the Government to make good to the depositors of a bank any loss they may suffer from that error of judgment, it means that if there are failures in the future, and no doubt they will occur in the future, and if it can be shown that the integrity or capacity of any auditor was drawn to the attention of the Department of Finance and that through oversight, carelessness, or error in judgment, the Department of Finance permitted that man to be named as an auditor, ipso facto, this country becomes liable to recoup the depositors. I say that is a most unfortunate precedent to establish.

Then, we are running into another difficulty. If recklessness and fraud was the efficient cause that led to the failure of this bank, I cannot see how we can make a distinction between a French-Canadian bank and an Ontario bank. What is law for Ontario—

Mr. LEMIEUX: Will my hon. friend allow me; the Ville-Marie bank, let it be well understood, because we have enough sins of our own to answer for, was not a French-Canadian bank. It had a French-Canadian name only.

Mr. NICKLE: Then let me put it generally, and speaking generally I say that I do not believe there should be one law for one part of the country and another law for another part of the country, in matters of this sort.

Mr. LEMIEUX: Although the Ville-Marie bank was not a French-Canadian bank, the French-Canadian people lost heavily.

Mr. NICKLE: One of my friends beside me says that there is not one law for one part of the country and another law for another part of the country. My opinion is that this is making one law in one case and none in another. That may be a question of judgment, and I am only giving my judgment this afternoon. Through a very peculiar coincidence I happen to hold two shares in the Farmers Bank, which, of course, was a mere trifle, but the most careful inquiry I had been able to make when that bank went into liquidation convinced me that the loss was all due to Travers' irregularities and not to any irregularity on the part of the Government; and, that while the ex-Minister of Finance was probably somewhat careless in the granting of the certificate, yet, after that certificate was issued, if the management of the bank had been honest and proper, there would not have been any loss, but the bank would have been a success. In my judgment, the efficient and proximate cause of the failure was not the granting of the certificate but the irregularity and criminal conduct of the management.

Mr. BURNHAM: Some of these gentlemen, Mr. Chairman, are going too far afield. If you look at what occurred immediately after the certificate was given, you will find out who was liable and who was not. Where the hon. member for Kingston (Mr. Nickle) is at fault is that he does not distinguish between negligence and gross negligence. It is quite true that ordinary common negligence may not imply responsibility, but gross negligence is an entirely different thing, and I contend that in this case there certainly was very gross negligence.

Mr. GAUVREAU: How do you know?

Mr. BURNHAM: I am stating my case, and if the hon. gentleman will wait I will tell him more. Therefore, we have to deal with the question of gross negligence. Now, then, is the extraordinary principle to be laid down that a Government is above all liability, that it may blunder, that it may do the most stupid things, that it may in fact do criminal things, and yet not be responsible?

Mr. NICKLE: Is it not correct in law to say that a petition of right could issue to permit the trial of the responsibility of a government for the negligence of an official?

Mr. BURNHAM: I think it is, but that is entirely contrary to what the hon. gentleman has just said. According to my understanding there can be no question in the mind of the ordinary citizen that the Government that undertakes to do a thing, by the very fact that it has undertaken to do it—incurs a co-relative responsibility, if it undertakes to issue a certificate. If it states that a bank can go on without a certificate, well and good, but where the Government says that a bank cannot go on without a certificate and prescribes the rules for the issuance of that certificate, there is beyond all question a responsibility upon the Government to see that no gross negligence is committed. To say that the efficient cause is subsequent to the issuance of a

certificate, is to say that had a thief who stole the money and run been caught as he might have been caught as he ran through the streets, the loss would not have occurred. But that is an entirely different proposition.

Mr. A. K. MACLEAN: When did the hon. gentleman contend that this gross negligence took place? Was it during the administration of the bank, after it commenced business, or before?

Mr. BURNHAM: It certainly was before the certificate had issued. As I understand the evidence, it was pointed out very clearly that a full and complete warning was given to the people who had the power to issue the certificate, but notwithstanding that fact, when they should have been alert to catch every sound of warning, especially in such an affair as this, they absolutely glossed it all over and issued a certificate, and it was because they issued that certificate and because of the right of the bank to transact business that the people of this country put their money in the bank on the assurance that the Government was transacting its business properly, and so lost their money. It had nothing whatever to do with Travers; it had nothing whatever to do with the management of the bank; the fact is that because the certificate had been granted the people put their money in the bank.

Mr. LEMIEUX: What about the shareholders?

Mr. BURNHAM: They of course are supposed to look into the management of the bank themselves. They are one with Travers, in my opinion, and whilst they cannot be charged with criminal negligence, they certainly ought to be charged with gross negligence, and ought not to get anything at all. They have been mulcted to the extent of their double liability, and quite properly so. That is my opinion upon that. As to French-Canadian banks, are we to be threatened? I say that whether they are French-Canadian banks or not, if the money is stolen from the people under the circumstances of this case, they should get their money.

An hon. MEMBER: Why not?

Mr. BURNHAM: Certainly, why not. But the idea set out by prominent gentlemen sitting in this House, that if other institutions are not recouped, nothing shall be done for the people who suffered in this case, is the most monstrous doctrine I have ever heard. And the converse is true: if right is done in this case, it must be done in every case; if these other banks, on investigation, are proven to be in the same position as this bank, then pay the people their money. But do not let it go abroad that the poor people of this country, relying on the certificate of a Government, may put their money on deposit in a bank and are to have no reliance on the Government and no recourse when their money is taken from them. Are we to understand that a Government may be grossly negligent, yes, even inhumanly negligent, and still escape liability? And yet that is the doctrine that is laid down here to-day by some hon. gentlemen.

Mr. HUGH CLARK: If the debate is to go on at this stage, I do not see why I should not make a few observations. I quite approve of the stand taken by my hon. friend from Middlesex (Mr. Ross), but I quite disapprove of his reason for taking that stand. I do not think there could be any excuse for this Government, or for any government, coming to the aid of any bank for the reason that that bank had been improperly managed, or that there has been subsequent loss through the mismanagement, or incompetency, or fraud, or anything else of that sort. I would not support this Government if they tried to recompense the depositors for that reason. I support the Government for the reason given by the Minister of Finance, namely, that the certificate was wrongfully obtained, and that the initial mistake was made by the late Government in granting the certificate. Any person who has read the evidence can come to no other conclusion than that there was absolute lack of care and caution on the part of the Treasury Board. That can be stated without singling out any individual, and particularly the late Minister of Finance. To say that there was no negligence is to overlook the fact that the ex-Minister of Finance himself was warned as to the process by which the subscriptions were being received by Mr. Travers and others. And, as to there being political reasons for this action, there are no political reasons that do not apply to both parties. Hon. gentlemen who heard read the list of names of the depositors in that bank, will remember that the very first reference was to the township of Zorra, represented by my hon. friend from North Oxford (Mr. Nesbitt). A large number were in the con-

stituency represented by my hon. friend from West Middlesex (Mr. Ross).

Mr. PROULX: Does the hon. member mean to say that the hon. member for North Oxford (Mr. Nesbitt) made the promise?

Mr. CLARK: No. Nor did I.

Mr. ROSS: There was not a large number mentioned from my riding; there was not one single name.

Mr. CLARK: As far as differentiating between the shareholders and the depositors is concerned, I do not think for one minute that the shareholders should be considered at all. A shareholder is a man who enters into a business of that sort as an investor. He knows what he is doing; he becomes a proprietor of the bank; he knows that there is a double liability. He knows the hazard of his venture, because he makes an investment on which there is a double liability; but the depositor, in almost every case when he deposits his money in a chartered bank, believes he is depositing it there for safekeeping, and that the stability of this country is behind the bank. At any rate, he used to believe that, before the failure of the Farmers Bank. I cannot see where my hon. friend (Mr. Lemieux) finds any logic whatever in making a parallel between this and a judgment given by a judge which may ruin a litigant, although the judge may have been improperly appointed by this Government. In that case a litigant has more than one appeal against the judgment of that particular judge. In any event it is not a parallel case. I do not approve of my hon. friend the member for Kingston (Mr. Nickle) stating that this is a pernicious and obnoxious precedent. It is not a precedent for such cases as advanced by my hon. friend the member for Rouville (Mr. Lemieux). No person has ever alleged that any of these banks obtained their certificates through fraudulent means. No person has ever contended that the certificates granted to these banks were obtained from the Minister of Finance or the Treasury Board after the Treasury Board had been warned that wrongful practices were being resorted to for the purpose of procuring deposits. It will be a precedent, and I hope that it will be observed as a precedent, if the Minister of Finance of the present day or of any future time shall issue a certificate to a number of men who are organizing a bank and who have obtained a charter or a certificate to do business for that bank in the same way that Mr. Travers and others did in connection with the Farmers Bank.

Resolution reported and concurred in.

Mr. W. T. White thereupon moved for leave to introduce Bill No. 185, for the relief of the depositors of the Farmers Bank of Canada.

Motion agreed to, and Bill read the first time.

PENSION TO GUARD'S WIDOW.

Hon. C. J. Doherty (Minister of Justice) moved second reading of Bill No. 183, to provide for the payment of a yearly allowance to Mrs. Alice Joynson, widow of the late J. H. Joynson, a guard in the British Columbia penitentiary.

Mr. OLIVER: Perhaps the minister will make a very short statement of the occasion, and there may be no discussion.

Mr. DOHERTY: The matter was discussed somewhat fully when the resolution on which the Bill is based was before the House. The purpose is to provide an annuity for the lady mentioned who is the widow of a man who was a guard in the British Columbia penitentiary. Something over a year ago, this man was killed in endeavouring to prevent the escape from the penitentiary of two very desperate criminals. In their endeavour to escape, one of the criminals was killed and, very unfortunately, this man Joynson was also killed. I may say that his conduct on the occasion showed what I think may be properly described as conspicuous bravery. These two desperate men had succeeded, in the first place, in depriving one of the guards of the penitentiary, who was in immediate supervision over them, of his revolver, and then, by threatening other guards as they passed through different portions of the penitentiary grounds with this revolver, they succeeded in possessing themselves of the revolvers of those guards too. They had reached the final gates which separated them from liberty and were threatening the guards upon the wall when this man Joynson came to the rescue and at the risk, and, as it proved, at the price of his own life, intervened to prevent the escape. He has left a widow who has some small children and who is not in a position to maintain herself. Therefore we propose to give her a small annuity of $500 a year, the money to be paid to her monthly.

Mr. LEMIEUX: In connection with this Bill, as I unintentionally did an injustice to my hon. friend the Postmaster General the other day in referring to the Oka case, I wish to state most emphatically that I read this morning the fourth volume of the debates of 1911-12, after the explanation made by my hon. friend, and he is right in his explanation. When we discussed that case in the House, the hon. member for Two Mountains (Mr. Ethier) asked that certain provision be made for the widow and that the mail contract be given to her. I see by 'Hansard' that my hon. friend said at the time that it was not possible to give the contract, because the children were too young and the people objected to that contract being handed to minors. He said, however, at that time that he would see at the next session or at the earliest opportunity—it was in the dying days of the session—that a certain amount would be paid to the widow as a gratuity, and this morning I saw the cheque. I beg to apologize to the hon. minister for making the statement I did.

Motion agreed to, Bill read the second time, and the House went into Committee thereon, Mr. Blondin in the chair.

On section 1—pension for Mrs. Joynson:

Mr. OLIVER: On what principle did the hon. gentleman fix the compensation in this case? Is this a certain proportion of the salary of the deceased?

Mr. DOHERTY: The man was earning at the time $700 a year. We allowed Mrs. Joynson last year the salary for that year. Now, we are allowing $500. Perhaps it is a little difficult to say that there is any principle upon which we fixed it, save that it may be said that this family were living on $700, and there was the man himself to maintain. We know that less than $500 would not be worth while, and that this sum will at least help this woman and her children.

Mr. OLIVER: I endorse what the minister has done in this matter; and should such an unfortunate case arise in the future, I hope there would be no hesitation in making proportionately liberal provision for the surviving dependents, and I would much rather the error should be on the side of liberality than on the side of economy.

Bill reported, read the third time, and passed.

[Mr. Doherty.]

INDIAN ACT AMENDMENT.

House again in Committee on Bill No. 114, to amend the Indian Act.—Mr. Roche. Mr. Blondin in the Chair.

On section 1—power to establish industrial schools, etc. :

Mr. ROCHE: When this Bill was before the House on the last occasion when I was present, it was pointed out that this section might be interpreted to be rather wider than it was intended by the department to be. It was stated that any school to which was committed an Indian child might be considered an industrial school within the meaning of this section. That was not the design. In accordance with the suggestion made on that occasion by the hon. member for Carleton, N.B. (Mr. Carvell), I beg to move the following in lieu of that section:

The Governor in Council may establish an industrial school or a boarding school for Indians, or may declare any school or institution where children are provided with board and lodging as well as instruction and with the managing authorities of which the superintendent general has made an agreement for the admission of an Indian child or children and for the inspection of the school or institution, to be an industrial school or boarding school for the purpose of this or the next following section.

This provides that where an arrangement has been made between the superintendent general and the authorities of the school, that is, where it is mutually agreeable, it can be done.

Mr. CARVELL: That meets the objection, so far as I am concerned.

Mr. OLIVER: I would like to have it clearer that this agreement spoken of is not merely an agreement as to the maintenance and control of that child, but is an agreement as to the measure of control of the school by the Government in consideration of the aid given.

Mr. ROCHE: Yes, that is the idea.

Mr. OLIVER: That is the purport of the agreement ?

Mr. ROCHE: Yes.

Section, as amended, agreed to.

On section 2—taking land for schools:

Mr. OLIVER: When this section was up the other night, I criticised it on the ground that it seemed to me that the occasion was trifling as a warrant for interference with the rights of the Indian to his land. I think that possibly some isolated instance has

occurred, and it is proposed to cure the difficulty by legislation. But I think it would be better to allow the individual difficulty to remain rather than to interfere by legislation with the ownership of land by the Indian. There is nothing upon which the Indians are quite so touchy as the ownership of land, and it is not well to interfere with them in any way unless the circumstances make it unavoidable.

Mr. ROCHE: This is because of a certain difficulty having arisen where land was needed and was refused by the Indian. Of course, it is not intended that the land should be taken without compensation. We are not very particular about securing this power, but we think that in case of similar difficulty arising it is better that this should be passed rather than see a school blocked.

Section agreed to.

On section 4—withdrawal of half-breed from treaty; status of wife:

Mr. OLIVER: When this section was under consideration the other night, I mentioned the fact that under recent conditions—I am not sure whether under present conditions or not—half-breed scrip is issued to members of bands who withdraw from those bands. If there is no issue of scrip, if that absolutely does not exist, the objection I make does not hold. But if half-breed scrip is issued to members of bands who withdraw from those bands, then the effect of this section would be to double the object of the scrip speculator in securing the withdrawal of the members from the band by automatically withdrawing the wife with the husband. Either the woman would be entitled to the scrip or she would lose the benefit of being in the band. Either one or other would be detrimental to the interest of the half-breeds.

Mr. ROCHE: I have read the hon. member's criticism on this point. It is not the intention to issue any further scrip. The issue of scrip has ceased, and will not be made in the future.

Mr. OLIVER: How long is it since any scrip has been issued?

Mr. ROCHE: None has been issued within the last two or three years.

Section agreed to.

On section 6—compulsory, etc., sale of reserve:

Mr. LEMIEUX: Has the hon. minister considered the protest of the Caughnawaga Indians on this subject?

Mr. ROCHE: I think the Caughnawaga Indians are unnecessarily alarmed.

Mr. LEMIEUX: What is the effect of the clause?

Mr. ROCHE: We have already an amendment, by which there is a portion of a reserve that is required for some public purpose, adjacent to a city or town of 8,000 population, and where the Indians refuse to surrender and are absolutely preventing the development of that portion of the country, provision was taken by my predecessor to have a reference to a judge of the Exchequer Court for inquiry and report to the Governor in Council, which report is placed before Parliament and must be passed upon by Parliament before the Governor in Council can act. The Act is being further amended by doing away with the limitation to cities and towns of a population of 8,000 or more, so that wherever lands are required for similar purposes, they shall, where the indians refuse to surrender, be dealt with in a similar way. There is no design upon the Caughnawaga reserve; the amendment introduced in 1911 has never been called into requisition and this one may never be called into requisition. There is no danger of the Caughnawagans losing their reserve.

Mr. LEMIEUX: I am glad to accept the word of my hon. friend in that regard. The Chief of the Caughnawaga band wrote the letter which I read the other day in the House, but after my hon. friend's assurance that they need not be nervous about any sinister design on his part, I suppose they will now be satisfied.

Mr. A. K. MACLEAN: What is the procedure in the obtaining of portions of Indian reserves not in or near a town, for industrial purposes? Is it complicated?

Mr. ROCHE: In such cases we secure a surrender from the Indians.

Mr. MACLEAN: What is the procedure?

Mr. ROCHE: We send one of our officials to the reserve, and he calls a meeting of the band and places the proposition before them. A vote is secured, and all that is necessary is the assent of the majority of the band. No protracted time is required and there is no complication.

Mr. MACLEAN: Is conveyance made by the chief of the Indian tribe?

Mr. ROCHE: Yes.

Mr. MARCIL: The rumour is prevalent that an effort is to be made to take the Restigouche reserve, or a large portion of it, for the establishment of a mill. The reserve is opposite the town of Campbellton, in the province of New Brunswick. In this case, it is not the town but some industrial corporation that is asking for further taking over of the reserve.

Mr. ROCHE: I understand that in the past there have been some negotiations between the owners or proprietors of the proposed mill and the Indians, but the Indians have thus far refused to surrender.

Mr. MARCIL: It would seem that under this section the company can get the reserve by going to the Exchequer Court.

Mr. ROCHE: Not unless the proposed establishment is considered by the Exchequer Court to be a public utility.

Mr. MARCIL: The Baie des Chaleurs Milling Company are located on the reserve at the present time. There is a rumour that these people are looking for a site for a pulp mill along the Restigouche river and that they have taken up several options. It is openly stated that they are going to locate on this reserve and I would like to know from the minister whether any application has been received in this regard.

Mr. ROCHE: It is true that so far as the mill is concerned they have an old lease from the Indian Department, but it would be impossible for that company to step in and take away any portion of the reserve without the consent of the Indians, from whom they must secure formal surrender. This provision distinctly states that the matter shall be referred to the Exchequer Court of Canada for inquiry and report as to whether the taking over of any portion of the reserve is expedient and as to whether the interests of the public and of the Indians of the band will thereby be served.

Mr. MARCIL: Formerly, if the Indians refused to surrender, that was the end of it, but now any company desiring to obtain the land may go to the Exchequer Court and, by following the necessary process, can get the reserve or any portion of it. Campbelton is not a town having a population of 8,000 and it seems to me that under this legislation the company will be able to get this reserve.

[Mr. Roche.]

Mr. ROCHE: The hon. gentleman is, I think, confounding private enterprises with public utility.

Mr. MARCIL: It may be declared that this private enterprise is a public utility. Although the minister may not know it, I am satisfied that some person may take advantage of this provision.

Mr. ROCHE: The hon. gentleman knows that if this case were brought before the Exchequer Court the supreme authority is, after all, the Parliament of Canada. Parliament must pass upon it favourably before any action can be taken.

Mr. MARCIL: Whether or not it is intended to furnish means by which this can be done, it is the intention of that industry that it is to be done. These Indians would thereby be dispossessed; they would be forced out of their lands, which would be turned over to this company by the usual process.

5 p.m.

Mr. ROCHE: I have not in mind the case to which my hon. friend refers.

Mr. CARVELL: The minister will remember that early in the session I asked him some questions with regard to the Tobique reserve. As my hon. friend knows, the valuable timber upon one portion of that reserve was pretty well cleaned off by his friend, Mr. Smith, during the last year, but the upper portion of the reserve still has a considerable amount of valuable timber. I am afraid that under this section the remainder of the lumber may be appropriated by gentlemen who require it in their business. One gentleman said that he had a mill a few miles down the river and as the lumber would be worth a little more to him than to anybody else, he ought to have it. I would like to know if the minister thinks this section is strong enough to allow these gentlemen to come in and gather up the remainder of the Tobique Indian reserve.

Mr. ROCHE: I think not. It is not designed to cover a case of that kind and I am satisfied in my own mind that it would not cover it.

Mr. CARVELL: I am glad indeed to hear that, and I hope the minister will give us a promise that the remainder of the Tobique Indian reserve will not be gathered in by the politicians of New Brunswick,

the same as the southern portion of the reserve has already been gathered in.

Mr. ROCHE: I think probably the hon. gentleman has in view the gathering in, as he calls it, of certain timber that is upon the reserve. Certain lands were disposed of from time to time before this Government came into power, and recently a portion of the timber was sold, but that has nothing whatever to do with this provision of the Act. Every case will be dealt with on its merits. It is not my present intention to alienate any other portion of the Tobique reserve, and I am sure that unless they can make out a very good case it will not be done.

Mr. CARVELL: I am glad to hear that. I do not want to discuss just now the details of what is taking place because I think this is not the proper occasion, and I hope to have an occasion of doing so before prorogation. The minister will understand, however, that we have alienated portions of this reserve and, according to the returns, alienated it without much rhyme or reason, and so far as I can see without any application on the part of the persons who purchased it. The matter seemed to be the suggestion of the minister's own department that this land should be sold to Mr. Smith. I only hope that no more suggestions like that will be made, and that what remains of the Indian reserve will be maintained for the Indians and not for the benefit of the politicians.

Mr. ROCHE: It was surrendered by the Indians.

Mr. CARVELL: I understand that a portion of the land on the south of the Tobique river had been surrendered by some arrangement so that the department was in a position to sell; but the department was not in a position to give this land over to a political supporter without public competition and without the public knowing anything about it; and giving it to him for one-quarter of what the land was worth and allowing him to steal what valuable timber there was on it. Surely the department was not justified in doing that. However, I shall discuss that later.

Mr. KYTE: Has it come to the knowledge of the minister that there is an Indian reserve in the city of Sydney upon which certain individuals have been casting envious eyes for some years? I understand that applications, in one form or another, have been made—or were made, at all events, to the late Minister of the Interior—and I think the efforts in that direction have been continued up to a comparatively recent date.

Mr. ROCHE: Propositions have been made to the department on more than one occasion to have the Indians moved from their present location in the town of Sydney to some other place. The Indians have not been agreeable to such a transfer and, therefore, the department have not proceeded with the case at all. The Indians are not being disturbed, and will not be disturbed without their consent.

Mr. KYTE: Will the passage of this Act make it easier to remove the Indians from that reserve ?

Mr. ROCHE: Not unless it is desired to use the land for some public purpose. The judge of the Exchequer Court must first decide that it is a question not only of expediency but in the interests of the public as well as in the interests of the Indians. This amendment is not designed to cover that particular case, or any case like it. Propositions have come in to the department about that reserve, but invariably the Indians have refused to surrender their land, and that settles it so far as the department is concerned. We have no intention of calling this Act into requisition in order to dispossess them of their land.

Mr. KYTE: I understand the minister to say that it is only in the event of the land being required for public purposes that the Indians may be ultimately removed.

Mr. ROCHE: I might say to my hon. friend that the amendment brought in in 1911 would cover this particular case, because Sydney has a population of 8,000 people.

Mr. KYTE: So if this Act is passed, it will not be any easier to get rid of the Indians than heretofore ?

Mr. ROCHE: Not at all.

Mr. CARVELL: The minister so intends to administer the Act that the land will not be sold unless it is required in the public interests. I am afraid, however, that the Bill does not very happily cover the minister's intentions, and it is possible that at some future date there will be another minister of the Interior not possessed of the same high ideals as the present one. If the minister will read section 6 carefully he will see that it is not

confined to the case of a public body requiring the land. It says:

In a case of an Indian reserve which adjoins or is situated wholly or partly within an incorporated town or city or in the immediate neighbourhood thereof or which contains more land than is necessary for the use of the band—

That is the point.

—or which is so situated as to materially retard the natural development of the surrounding country—

But, to go back a moment, it says: 'which contains more land than is necessary for the use of the band.' It seems to me that the minister should eliminate that line from the Bill, because you can hardly find an Indian reserve in the Dominion in regard to which some enterprising gentleman will not be convinced that they have more land than is required for the use of the band, and, once he convinces the minister that such is the case, he then has a right to apply for it. The section goes on:

—which reserve has not been released or surrendered by the Indians and which the Indians refuse to surrender, the Governor in Council may, upon the recommendation of the Superintendent General, refer to the Exchequer Court of Canada for inquiry and report the question as to whether it is expedient, having regard to the interest of the public and of the Indians of the band for whose use the reserve is held, that the whole or any portion of the said reserve should be sold for the benefit of the Indians, and that the Indians should be removed from the reserve or any part of it.

To go back to the Tobique Indian reserve, to which I have already referred. There are thousands of acres in that reserve that the Indians do not occupy. They occupy only a very small portion of the reserve; I think I am safe in saying that nine-tenths of the reserve is entirely in forest land, and I can quite understand how a number of enterprising gentlemen from New Brunswick may come here and convince—not this minister, because he has had a little experience of them—the minister's successor—that there is more land there than is necessary for the use of the Indians, and therefore persuade him to sell, not the whole of it, but the portion that has valuable timber. Those words in lines 21 and 22 of section 6 on page 2 are the ones to which I object. I am afraid it is opening up a very wide field indeed. I can readily understand that, in the case of an Indian reserve situated right in the midst of a town, there may be very strong reasons why that reserve should be opened to the public and the Indians removed to some other place. There would be strong reasons for that if some public utility required it, for instance, but I think this section leaves it open for any private individual who casts covetous eyes upon a portion of an Indian reserve to come to the minister, and possibly work the oracle and get possession of the property.

Mr. ROCHE: The hon. gentleman overlooks this fact. The Minister of the Interior, no matter who he may be, has not power to sell the Indian reserve. The matter would have to be referred to the judge of the Exchequer Court who makes a full inquiry. Witnesses are examined under oath and the Indians are represented by counsel paid for by the department. The judge, after inquiring fully into the matter, makes his report to Parliament; and if Parliament pass upon it, the case goes to the Governor in Council for final action. That is exactly the procedure that took place under the late Administration. Parliament must pass upon it before it goes to the Governor in Council.

Mr. CARVELL: We know what Parliament means; we had an illustration of that, this afternoon, in connection with the Farmers Bank.

Mr. ROCHE: The hon. gentleman will have a chance to enter his protest if it is proposed to sell any part of a reserve.

Mr. CARVELL: And that is all.

Mr. ROCHE: We often have the jurisdiction of the Governor in Council called in question, and hear it said that this and that matter ought to be brought to the high court of Parliament. As I said, the Minister of the Interior, no matter who he may be, has no jurisdiction in the matter of selling an Indian reserve. All he can do is to refer it to the Exchequer Court. It is then reported upon to Parliament, and Parliament passes upon it before the Governor in Council takes final action; so that I do not see any force in the hon. gentleman's objection. No undue influence can be brought to bear upon the Minister of the Interior, for he simply cannot act.

Mr. OLIVER: Parliament is to-day laying down the law which will control the judge of the Exchequer Court when the question is brought before him. Parliament is contemplating to-day that, if there is more land in the Indian reserves than the Indians are using, the extra area may be taken from them on an order of the judge. It is perfectly clear that if a case in regard to a certain Indian reserve is

brought before the Exchequer Court, and if it is proven that there is more land in the Indian reserve than the Indians are beneficially using, the judge will have no discretion but to declare that a portion of the reserve shall be taken from the Indians. That is the whole purpose of the Bill, that is what it says, that is what will be the necessary result. I maintain that this is most objectionable.

Mr. BRADBURY: Will that apply to any reserve?

Mr. OLIVER: Yes. I think that the minister will realize that in pressing this legislation on Parliament he is proposing to destroy the treaty rights of the Indians by authority of Parliament. I am quite aware that Parliament can destroy these treaty rights but I am not prepared to admit that Parliament ought to. The minister may say that under the late Government provision was made for the taking of the land from the Indians by the order of the Exchequer Court. It is quite true. A Bill was brought before Parliament by myself, as an emergency measure, after a complete declaration of the fact that it was trespassing upon the treaty rights of the Indians, and that it was a question as to which was the greater right and which was the greater wrong. It was particularly provided in the Bill that it should only have effect where, by reason of the proximity of a large population, the land occupied by the Indians had reached an abnormal cash value and the Indians in occupation were not receiving adequate benefit, and where the duty of the Government, as guardians of the Indians, required them to take such action as would ensure to them all of the increased value by reason of the proximity to a large population. That was the limitation under which that extraordinary power could be exercised through the courts. But my hon. friend departs from that extraordinary condition altogether and in any circumstances where any Indian reserve occupies a greater area than the Indians are using he can put this Act into operation and the judge of the Exchequer Court must act as he is directed by the terms of this section. In so far as the Minister desires to excuse this Bill by suggesting that its terms are parallel with the terms of the Act now on the statute book, I desire to repudiate the parallel absolutely and to say that the Act now on the statute book is within limitations which absolutely safeguard the rights of the Indians and that it was put there for the direct benefit of the Indians. This Bill is certainly a trespass upon the rights of the Indians wherever they may be located throughout Canada.

There is another feature of this Indian question that I am going to take an opportunity of directing to the attention of the minister. This Bill is a trespass upon the ordinary treaty rights of the Indians. But there are the bands of the Six Nation Indians located on the Grand river in Ontario who, I maintain, are in a different legal position from any Indian bands who are native to the country. These Indian bands on the Grand river had their original home in the United States. At the close of the war of the revolution they emigrated to Canada and were given lands under a special treaty, not as subjects of Great Britain, but as allies of Great Britain, and I maintain that the holding of these Six Nation Indians on the Grand river is of such a kind that this Parliament has no right to interfere with it. I admit that Parliament has the power to interfere with the rights of Indians under treaty made with this Government, but I say that this Parliament has no right to interfere with a treaty made between the Imperial Government and the Six Nation Indians.

I protest most strongly against this legislation as being a breaking of faith with the Indians in a matter in which faith should be most sacredly kept. The other night, speaking in the House, I referred to the nature of the Indian and to the necessity of maintaining his self-respect. The knowledge of the ownership of his land is the greatest factor in maintaining his self-respect, and if we are to let him understand that the land which he is located upon and which is sacred to himself and his tribe is not his excepting as the Parliament or Government of the day may see fit to declare, you simply take away the last vestige of his self-respect, the last opportunity to save in him all that makes him a man.

Mr. LEMIEUX: I wish to emphasize the attitude taken by my hon. friend from Edmonton (Mr. Oliver) as regards the sacredness of the title which the Indians have to their reserves. I was speaking a moment ago of the Caughnawaga Indians, and my hon. friend said that there was no sinister motive behind this clause 6 as regards their reserve. Looking over the documents which were published by this Government many years ago, I find the titles to the reserves, and I submit that even with

the legislation which is before the House to-day, the department could not dispossess the Caughnawaga band of that reserve or any part of it. I would refer my hon. friend the minister to the titles to the Sault St. Louis reserve in the 'Indian Treaties and Surrenders,' vols 1 and 2, officially published in the year 1891, and which contains the Indian treaties and surrenders from 1680 to 1890.

Respecting the Caughnawaga reserve, the following document is, I believe the most ancient concession made by France to the Indians of Canada. It will be seen from it that the Caughnawaga reserve was originally granted to the Jesuit Fathers by Louis XIV, on the 29th of May, 1680. Here are the terms of the grant:

Fontainebleau, France, 29th May, 1680.

Louis, by the Grace of God, King of France and of Navarre. To all to whom these presents may come, greeting:

Our dearest and well beloved, the Religious Order of the Society of Jesus, residing in our Dominion of New France, have caused it to be most humbly represented to us that the lands of the Prairie de la Magdalene, which were heretofore granted to them, being too damp for the purpose of sowing and of providing for the sustenance of the Iroquois who have thereon settled, and that it is feared they might leave if we were not pleased to give them the land called 'Le Sault' containing two leagues in width from a point opposite the St. Louis rapids, going up along the lake by an equal depth, with two islands, islets and shoals, which are in front and adjoining the lands of the said Prairie de la Magdalene, which would allow them not only to receive the said Iroquois but even to increase their number, and to spread by that means the knowledge of faith and of the Gospel; for these reasons, desiring to contribute to the conversion and instruction of the said Iroquois and to deal favourably with the said petitioners, we have made and do make them a donation by these presents signed with our hand, of the said land called 'Le Sault' containing two leagues, in width from a point opposite the St. Louis rapids, going up along the lake, by an equal depth, with two islands, islets and shoals, which are in front and adjoining the lands of the Prairie de la Magdalene on condition that the said land called 'Le Sault' shall belong to us, when the said Iroquois will give it up, toute défrichée (free and clear as it then may be without any claims on us).

We permit and allow all those who wish to bring to the said Iroquois rings, knives and other small mercery and such things, to do so; we do most expressly prohibit and forbid the French who may live with or go among the said Iroquois and other Indian nations who may settle on the said land called 'Le Sault' from having and keeping any cattle, and all persons from keeping any public-house among the dwellings (dans le bourg) of the said Iroquois which may be built on the said land.

Therefore we order our beloved and faithful men holding our Sovereign Court at Quebec, and all our other judicial officers whom it may concern, to have these presents our letters of donation and of grant read and registered and to permit the said petitioners to use and enjoy the same, ceasing and putting a stop to all troubles and hindrances which might be caused to them to the contrary, for such is our pleasure.

In faith whereof we have signed these presents and affixed our Seals.

Given at Fontainebleau the twenty-ninth day of May in the year of Grace one thousand six hundred and eighty and of our reign the thirty-eighth.

(Signed) Louis.

By the King.

(Signed) Colbert.

Later on Frontenac, one of the most illustrious governors under the French regime, issued the following letters patent, dated Quebec, 31st of October, 1680:

Quebec, 31st October, 1680.

With regard to what was represented to us by the Reverend Fathers of the Society of Jesus, that His Majesty by his letters patent of the twenty-ninth of May one thousand six hundred and eighty, registered at the Sovereign Council at Quebec on the twenty-ninth of October ensuing, having made to them a gift of the land called 'Le Sault' containing two leagues in width from a point opposite the St. Louis rapids going up along the lake, by an equal depth, with two islands, islets and shoals which are in front, and adjoining the lands of the Prairie de la Magdalene, for the reasons mentioned in said letters and in the clauses and conditions therein laid; and whereas they have asked that we might be pleased to grant them a piece of land of one league and a half or thereabouts in length to be taken from the said land called 'Le Sault' going up along the lake, towards the seigniority of Chateauguay, by two leagues in depth, which would afford them a still better opportunity of drawing thereto the Iroquois and other Indians, to increase their number and to spread by that means the knowledge of faith and of the Gospel;

We, by virtue of the power given to us conjointly by His Majesty, and in order to facilitate still more the said Reverend Fathers of the Society of Jesus with the means of continuing the care and pains which they have been doing for a long time and with such zeal, for the conversion and instruction of the said Iroquois and other Indians, we have given, granted and conceded, do give, grant and concede to them by these presents, the said piece of land of about one league and a half in length, to be taken from the said land called 'Le Sault' extending toward the seigniority of Chateauguay, by two leagues in depth, to be used and enjoyed by the said Reverend Fathers on the same conditions, clauses and terms as are set forth in the aforesaid letters patent of His Majesty, and that they shall obtain from him a ratification of the presents in a year from to-day.

In faith whereof we have signed these presents and affixed the seal of our arms.

Given at Quebec, on the thirty-first of October, one thousand six hundred and eighty.

(Signed) Frontenac.

(Signed) Duchesneau.

This is signed by Frontenac, and Duchesneau who was Intendant of New France.

Looking over these historic documents, I find that later on the Iroquois had a litigation with the Jesuit Fathers, just at the beginning of British domination. The case was brought up before the administrators of the colony at that time. After the conquest the country was divided into three governments: the Government of Montreal, the Government of Three Rivers, and the Government of Quebec, and the question came up in 1762 before His Excellency Thomas Gage, Governor of Montreal, assisted by his Council.

22nd March, 1762.

Before His Excellency Thomas Gage, Governor of Montreal, assisted by His Council, to wit, Messrs. Frederick Haldimand, Colonel of the 4th Battalion of the Royal American, and William Browning, Major of the 46th Regiment, Herbert Munster, Major of the 4th Battalion of the Royal American, and Gabriel Christie, Major and Quarter-Master of His Majesty's Armies.

Between the Iroquois Indians and other Indians of Sault St. Louis, appearing by Mr. Clauss their Attorney, Plaintiff, on the one part:

And the Very Reverend Fathers of the Society of Jesus, appearing by the Reverend Father Wett, their Attorney, Defendant, on the other part.

One of the chief allegations of the Iroquois in that famous litigation was:

That at the surrender of this country all things had been well arranged to maintain the said Indians in possession of their lands at Sault St. Louis, but that now the Jesuit Fathers, their missionaries, were granting continually to the French the lands forming part of the territory of Sault St. Louis which, however, they believed belonged to them by a title of grant given them by His Most Christian Majesty. And that if matters are not promptly set right, they would soon see themselves obliged to give up their own fields, to withdraw with their families to the woods, considering they do not any longer find there enough land to afford a means of living.

The Indians were also claiming some of the church property. They claimed that they had paid their share to the maintenance of the church, and that they were entitled to its ornaments and perquisites. Judgment was rendered by that special tribunal presided over by His Excellency Thomas Gage, and perhaps it would be well to read what the decision was:

We are of opinion that the grant of the lands of Sault St. Louis was made to the Right Reverend Jesuit Fathers with the sole intention of settling these Iroquois and other Indians and that all the soil could produce was wholly intended for their profit and advantage. The reasons which the Right Reverand Jesuit Fathers use in their petition, and which seemed to have determined His Most Christian Majesty to make his grant, were founded on the fear that the Iroquois that had settled at that time on the Seigniory of Laprairie and occupied lands which were too damp for the purpose of sowing, should happen to leave, alleging that by means of that new grant, they would be not only kept back but that their number would be increased and by that means the knowledge of faith and of the Gospel would be spread.

And another paragraph as follows:

Therefore we deprive and nonsuit the Right Reverend Jesuit Fathers of all temporal rights which they might have assumed on the said lands either by the condescension of the Governors or the Intendants, the only title by which they have got the decrees of Union to the estate which they obtained at different times, or by right of possession or other reasons which they might allege, and we order that the said Indians of the Sault—

Our English-speaking friends would do well to keep the pronunciation of the word 'Sault' not 'Soo.'

—be put in possession of and do enjoy peaceably for themselves their heirs and other Indians who would like to join them, the whole land and revenue which the said concession can produce.

And being of opinion that nothing contributes more efficaciously to civilize and enlighten the Indian nation than by scrupulously keeping the pledges which are made with them, and by preventing all cause of disagreement between them, and the inhabitants settled in their neighbourhood.

We order that the boundaries of the concession of the Iroquois of the Sault be drawn as soon as possible by a sworn surveyor, and that the limit of said concession be marked with stones fastened into the earth and stamped with His Britannic Majesty's Arms, and that the figurative plan thereof be delivered at a record office.

And then the litigation is settled by the representatives of His Majesty, the new King of British North America, deeding this reserve to the Iroquois, their heirs and successors, because it had been deeded to them for their purposes by the Crown of France in 1680. This constitutes an Imperial title. The Caughnawaga Indians received first a royal title from the Crown of France, and after the conquest, it was implemented by another royal title. By the treaties and by the capitulations of Montreal and Quebec, reference is made to the title of the Indians in their reserves as established by the Crown of France. Therefore in a case of this kind such as Caughnawaga reserve, I do not believe that this Parliament or the Department of Indian Affairs could interfere in any way, manner or form. My hon. friend has declared that the Iroquois should have no fear, but it is well that the country should know that this reserve was given under Louis XIV and confirmed by George III after the conquest, and that the Government takes authority to alter the conditions

under which the reserve was granted. This is an old title which dates back to the time and days of Louis XIV. If there is a case where there should be sacredness in a title, this is the case.

I would call the attention of my hon. friend to this paragraph of the judgment rendered by Governor Gage, in which he uses the following language:

> And being of opinion that nothing contributes more efficaciously to civilize and enlighten the Indian nations than by scrupulously keeping the pledges which are made with them, and by preventing all cause of disagreement between them, and the inhabitants settled in their neighbourhood.

These words apply to-day as they applied in those days; and no doubt my hon. friend before expropriating any reserve or part of any reserve, will bear that paragraph in mind. It embodies a principle which every Government should respect, especially in their dealings with the Indians who are the wards of the Government and of the people.

Mr. BORDEN: It is perfectly obvious that great care must be taken in dealing with the titles of the Indians, and it is the desire of the Government to carry out that principle. As far as the legal point which my hon. friend has made is concerned, I am not at the moment quite able to appreciate it, because the result of it would be that any title acquired in this country to land, which is based upon the Acts of the British Crown or of the French Crown before responsible government was introduced into this country, could not be the subject of expropriation at all, whether it belonged to the Indians or to any one else. I do not conceive that to be the law of this country, nor do I think that the powers of Parliament are limited in that way. Under the British system, the title of all lands is traced to the Crown; and it does not make any difference, so far as the legal aspect is concerned, whether the title is traced, to the Crown before we have responsible government in this country or whether it is traced to the Crown afterwards, through the medium of responsible government. The position is precisely the same. Parliament has the right to declare in respect of the ordinary citizen of the country that his lands may be taken, with suitable compensation, for purposes of a public character. It goes further than that: It empowers corporations carrying on public utilities to expropriate lands of ordinary citizens, without their consent but with due compensation, for such public purposes. As far as the Indians are concerned, the object of this legislation is simply to extend in a certain measure a principle which has already been acted upon by this Parliament in a measure introduced, I think, by my hon. friend the member for Edmonton (Mr. Oliver) a few years ago. It is simply extending the conditions under which that power may be exercised in the public interest.

Mr. CARVELL: It is extending it much beyond the purview of public interest and public utility; it is getting down to where private individuals are interested.

Mr. BORDEN: I do not understand the legislation just in the way that the hon. member for Carleton understands it. Section 49a, which is the amending section, begins in this way:

> In the case of an Indian reserve which adjoins or is situated wholly or partly within an incorporated town or city or in the immediate neighbourhood thereof or which contains more land than is necessary for the use of the band or which is so situated as to materially retard the natural development of the surrounding country.

Then certain procedure can be followed for the purpose of expropriating the land without a surrender by the Indians. It is all concerned with questions of the public interest, and the Minister of the Crown who undertakes the initiating of proceedings must, of course, have due regard to what those are. In any case, the land of the Indians can only be taken after proper proceedings have been had in the Exchequer Court of Canada and under conditions which safeguard the interests of the Indians in every respect. They must be paid for their improvements; they must be fully compensated in every way; and further than that, if I remember the section correctly, they must be provided with certain suitable land elsewhere as a reserve. If there is any further provision that ought to be inserted in order to safeguard thoroughly the rights of the Indians, we will be very happy indeed to have suggestions in that regard. The object of the section is to extend along a certain line provisions which have already been sanctioned by Parliament and which in some cases have been found not to be fully adequate to meet considerations of the public interest.

Mr. OLIVER: The Prime Minister was not in his place when I made my explanation. The difference between the Act as it is and the Bill as it is before the House

is that the Act would only apply to a very limited number of reserves under very special conditions, whereas under the Bill as it is proposed every Indian reserve can be dealt with and would be dealt with by the judge of the Exchequer Court if application were made.

Mr. BORDEN: As I understand the legislation it would be only under provisions set forth at the commencement of the section.

Mr. OLIVER: But it includes every Indian reserve. For there is no Indian reserve that does not contain 'more land than is necessary for the use of the band'; no reserve is occupied so efficiently that it could not be reasonably considered that there is room for more than the Indians to whom it is allotted. Then there is no Indian reserve of which it is not true that it 'materially retards the natural development of the surrounding country.' On these two counts every Indian reserve in Canada is subject to being decreased in area by reason of the order of the judge of the Exchequer Court; and the judge would have no option if the matter were brought to his attention.

Mr. BORDEN: But in the first place the proposal must commend itself to the minister, and he is responsible to Parliament, of course, for his action, and can be made amenable to Parliament if he exercises this power in an improvident or unjust manner. Then, after that the court must distinctly consider whether or not it is expedient that the band of Indians should be removed from that reserve.

Mr. OLIVER: I beg pardon, the courts must decide simply whether there is more land than is necessary for the Indians.

Mr. BORDEN: I will read to my hon. friend what I was relying upon. It is provided that the Governor in Council upon the recommendation of the superintendent general may—

—refer to the Exchequer Court of Canada for inquiry and report the question as to whether it is expedient, having regard to the interest of the public and of the Indians of the band for whose use the reserve is held, that the whole or any portion of the said reserve should be sold for the benefit of the Indians, and that the Indians should be removed from the reserve or any part of it.

The judge of the Exchequer Court is to take that into consideration and report upon it. The minister, in the first place, must decide that it is a proper case to refer to the court, and it is left to the judge of the Exchequer Court to determine whether it is expedient that the Indians should be removed. If he decides that they should be removed, provision must be made by Parliament and compensation must be afforded the Indians so that they may suffer no financial loss.

Mr. MARCIL: I have listened very carefully to the debate, and I am more convinced than I was at first that this legislation is objectionable. I have in my constituency the Restigouche reserve, the oldest Micmac reserve in eastern Canada, and the centre of the missionary efforts among the Micmacs for eastern Quebec and the Maritime provinces. This reserve is located very close to the town of Campbelltown. Now, from the white man's point of view the proximity of an Indian reserve to a town injures that town. That does not mean that therefore the Indians must go. From the point of view of the white man the Indians are not using the whole of the land contained in their reserve. As a matter of fact they do not do much farming. Most of them act as guides in the summer for American sportsmen who come to fish on the Restigouche and Cascapedia, and in the winter time they are in the shanties. For this reason, it would be found by the judge of the Exchequer Court, or by anyone else going there, that the Indians do not occupy all the land in their reserve.

Mr. BORDEN: How near are they to the town of Campbellton?

Mr. MARCIL: Just across the river, only a few minutes' distance. And as to the material development of the surrounding country, from the white man's standpoint, for instance, the establishment of a pulp and paper factory or a saw-mill, and the employment of a lot of white men, would certainly mean the development of the country. But the Indians have been there for over a century and a half—close upon two centuries; and if they are sent away under the terms proposed now a grave injustice will be done. The most objectionable part of the legislation, to my mind, is that we are not told who must make the application to the minister for this property. If the application were made by the missionary order, who have had in charge for generations the moral, religious, intellectual and every other interest of the Indians, or if the appli-

cation had to be made by the town council of Campbellton, a public body, declaring that the reserve should be used for public purposes, it would not be so bad. But under this legislation any one could make the application, and we should not know who made it until it was acted upon by the minister who refers it to Council. Of course, reference has to be made by the Governor in Council to the judge of the Exchequer Court. The court must decide whether it is expedient that the band of Indians should be removed from the reserve or any part of it. Well, any number of witnessess from Campbellton would testify that it is to the interest of the town to get these Indians out of the way; it is obviously to the interest of the town that they should be removed. The interest of the white men is in favour of the establishment of a pulp mill which would necessitate the removal of the Indians. But that is not necessarily a final reason why the Indians should be sent away from the reserve. The Indians have already conceded a portion of their reserve for a saw-mill, and I think they are getting along pretty well with the company, though they had some difficulty at first. But from rumours circulating in the county and district, well known to the hon. member for Restigouche (Mr. Reid) as well as to myself, an effort is being made to get possession of that reserve. If it were solely for the public interest, I would not have so much objection, but I am afraid it is going to be obtained for private interest rather than for the interest of the country. The Indians are well situated; they have a magnificent church, and they benefit by the labour of the splendid order of missionaries who are looking after their interests and who can do so much better for them in that locality than they could if the Indians were removed. For this reason, I cannot help being reminded of the hon. member for Selkirk (Mr. Bradbury) and his bold, determined fight for the St. Peter's reserve. If it were made easier for these people to get these Indian reserves, they could easily invoke these reasons and the judge of the Exchequer Court would have to admit that the Indians have more land than they use and that their presence materially retards the advancement of the town and the surrounding country from the point of view of the white man. The decision is supposed to hinge upon ' whether it is in the interest of the public.' Of course, that is the white man's view of it—it is not in the interest of development from the white man's point of view that the Indians should be there at all.

Section 6 says:

> Having regard to the interests of the public and of the Indians of the band for whose use the reserve is held, that the whole or any portion of the said reserve should be sold for the benefit of the Indians, and that the Indians should be removed from the reserve or any part of it.

These things are easily established. Of course, the interests of the greatest number—the interests of the public—must overrule everything. If I were satisfied that in the application of this law nothing but the public interest would dominate; if applications under the Act were made by a reputable body, by the order of Capuchins, for instance, who are doing missionary work among the Indians and who have their interests at heart, I would consider the legislation to be not half as bad as it might be; but if applications for Indian reserves, or portions of them, are to be made by ordinary companies for business purposes, all the provisions of this Bill can easily be complied with, and the report of the judge of the Exchequer Court given to the minister and to Parliament. Parliament will accept the report of the Exchequer Court judge, the legislation will be put through, and the Indians deprived of their reserve, and a great injustice will, in my opinion, be committed.

Mr. CARROLL: In this legislation I think there is no doubt about the safeguarding of the public interest. Sub-section 1 of section 6 says that:

> The Governor in Council may refer to the Exchequer Court of Canada for inquiry and report the question as to whether it is expedient, having regard to the interests of the public and the Indians—

And so on. Subsection 4 says:

> If the court finds that it is expedient that the band of Indians should be removed from the reserve.

I think that in order to safeguard the interests of the Indians, this subsection should say: ' having regard to the interests of the Indians and of the public.' After the Exchequer Court judge hears counsel and evidence on both sides, he might find it expedient, in the interests of the people, to send the Indians out; according to the wording of this section he would be quite justified in doing so. But if the words in subsection 1 with regard to the interests of the Indians were inserted also in sub-

section 4, the interests of the Indians would be thoroughly safeguarded.

Mr. BORDEN: The Act in that respect has been copied precisely from the old Act, which was passed under the regime of the hon. member for Edmonton. There is some point, however, in what my hon. friend suggests, and I think that it could be met if after the word 'expedient' there were inserted the words 'as aforesaid.'

Mr. CARROLL: If the department employs solicitors to act for the Indians, great caution should be exercised by that solicitor to ascertain the exact facts that exist with regard to the particular bands of Indians whose reservations are to be taken over by the department. Application was made to two or three preceding governments to get the reserve of the Indians in the city of Sydney, which is a valuable piece of land. The Indians there live under peculiar conditions. The Micmacs of Nova Scotia earn their living generally by making tubs, baskets, and so on, but the Indians of the reserve in the city of Sydney make their living simply by labour, and if they were removed from Sydney—it certainly would be in the interests of the city of Sydney that they should be removed—their occupation would be practically gone. They have not taken up the occupation of their forefathers, and, if removed from Sydney, they would be taken away from the locality where they would ordinarily be able to make a living. I bring this matter up merely to show that great precautions should be taken by, and very detailed instructions given to the solicitors in each case with regard to the particular reserve in question. If all precautions are taken by the department, by agents and by solicitors, I would rather see the Act administered by a judge of the Exchequer Court or of any other court than by any department of any government.

Mr. ROCHE: I beg to move:

That the words 'as aforesaid' be inserted after the word 'expedient' in the first line of subsection 4 of section 6.

Motion agreed to.

At six o'clock the committee took recess.

The Committee resumed at eight o'clock, Mr. Blondin in the Chair.

Mr. OLIVER: Inasmuch as the Minister of the Interior and the Prime Minister have both based their argument in favour of this Bill on the existence of a statute of 1911, I will take the liberty of reading the important section of that statute in which this question is dealt with, which will make perfectly clear the difference between the two provisions. Section 49a of the Act to amend the Indian Act, assented to on the 19th of May, 1911, begins:

In the case of an Indian reserve which adjoins or is situated wholly or partly within an incorporated town or city—

Both the Act of 1911 and this amendment are the same as to that point. The amendment goes on:

—or in the immediate neighbourhood thereof or which contains more land than is necessary for the use of the band or which is so situated as to materially retard the natural development of the surrounding country, which reserve has not been released or surrendered by the Indians—

These last words are the same in the Act as well. The amendment goes on:

—and which the Indians refuse to surrender.

Then the following words in the old Act and the amendment are the same:

which the Indians refuse to surrender, the Governor in Council may, upon the recommendation of the Superintendent General, refer to the Exchequer Court of Canada for inquiry and report the question as to whether it is expedient, having regard to the interest of the public and of the Indians of the band for whose use the reserve is held,—

The amendment goes on:

—that the whole or any portion of the said reserve should be sold for the benefit of the Indians, and that the Indians should be removed from the reserve or any part of it.

There is no material difference betweeen that last paragraph and what is in the old Act. I want to emphasize this point: Under the Act as it stands, there is a distinct and definite limitation of the exercise of authority by the minister, by the Exchequer Court and by Parliament. The limitation is fixed by the condition that the reserve shall be either within or adjoining a town or city of not less than 8,000 people. That is a definite and distinct limitation. It can only possibly apply to a very small number of Indian reserves, and it can only apply to the condition in which the value of the land occupied by the Indians has been abnormally increased by the existence of the city immediately adjoining or surrounding the reserve. That being the case, it is in the interests of the Indians that they should get the benefit of the increased value of the land that they hold, which they do not get

by merely holding it; and it is the duty of the Government as guardian and trustee of the Indians to take such measures as will secure to the Indians the proper value of that land. That is an abnormal condition, and we took what may be called abnormal measures to meet it. I may say to my hon. friend from South Cape Breton (Mr. Carroll) that the condition of the reserve he mentioned is adequately and unquestionably provided for in the Act as it now stands, without any amendment. The old Act makes adequate provision for dealing with that reserve or any other similarly situated, and consequently there is no need to extend the scope of the Act to cover that case. While the old Act restricted action by the Government to a certain stated condition, for certain specific reasons, which are evident on their face, this Bill provides that for three other reasons in addition to those set down in the original Act the right of the Indians may be taken away by the process set out in the Act—the conditions being practically the same in both. The first of these is that the land is in the immediate neighbourhood of a city or town, it does not need to adjoin or be surrounded by a town, but if it is in the immediate neighbourhood of a city or town it can be condemned. If it contains more land than is necessary for the use of the band it may be condemned. If it is so situated as to materially retard the natural development of the surrounding country it may be condemned; so that in addition to the provisions of the old Act the proposed Bill makes three conditions under which the reserve may be taken away from the Indians without their consent, and under one or other of those three conditions every reserve in Canada can be brought under the operation of this Act. The minister, if he sees fit, may refer the question of the right of these Indians to their reserve to the Exchequer Court, and if the judge of the Exchequer Court find that the conditions are either of the three I have mentioned, he would be bound, I maintain, to render judgment that the Indians should be cleared off the reserve, or off some part of it; that is to say, that their rights should be taken away. The judge having rendered that decision, the case comes to Parliament. It has been referred to the judge on the responsibility of the minister, and it comes to Parliament with the decision of the judge. The ministry, after they have had the support of the judge's decision are bound to maintain the position that they first took, and the parliamentary majority gives sanction to that decision. The value of the treaty right to the Indian has absolutely ceased once this legislation has passed.

Mr. ROCHE: I may say to the hon. gentleman that if there is more land than the Indians require, it is not the intention of the Act to take the land away from them for that reason alone. The land if taken has to be used for particular purposes. That is the ruling factor in the question as to whether the land shall be taken from the Indians. In the first place, I do not think any Minister of the Interior would refer to the Exchequer Court the question of the expropriation of a portion of an Indian reserve by reason of the fact that the reserve was larger than the requirements of the Indians demanded. The Act is not to be read in that light at all. The hon. gentleman has stated that by reason of the contiguity of a reserve to a city of 8,000 population the land increased in value. I may say it matters not how close or how remote the reserve is to the city; the value placed upon it is estimated in the same manner in both cases. For instance, it has to be disposed of by public auction. If the hon. gentleman will read subsection 5 he will see that it provides that:

> The court shall transmit its findings, with the evidence and a report of the proceedings, to the Governor in Council, who shall lay the same before Parliament at the then current or next ensuing session thereof. Upon such findings being approved by resolution of Parliament the Governor in Council may thereupon give effect to the said findings and cause the reserve, or any part thereof from which it is found expedient to remove the Indians, to be sold or leased by public auction after the publication of notice of such auction in the Canada Gazette and at least two newspapers published in the locality or nearest the locality in which such reserve is situate for at least one month.

The compensation to the Indians is determined in the same manner. It matters not whether a reserve is adjacent to a city with a large population or remote from it. The hon. gentleman will surely see that there might be a case where, for some reason or other, the Indians might refuse to surrender their land notwithstanding the fact that it might be required for some public utility not covered by the expropriation clause of the Act. For instance, supposing a portion of the Indian reservation was required for a public utility; the Indians were quite agreeable to surrender the same except for one point and that point would be that they wanted all the money instead of the fifty per cent prescribed by the Indian Act. They might in this way be holding up a great public en-

terprise. Although the conditions, as far as the monetary consideration is concerned would be quite acceptable they would refuse because they would not be allowed one hundred per cent of the money. What would you do in a case of that kind? It is a case of that character exactly that we want to get at. That is one illustration where a section such as this must certainly be requisite. It would be an unreasonable thing for the Indians to do. If they were agreeable to the compensation, and in every other respect consented, they might still hold out for the one hundred per cent instead of the fifty per cent as provided by the Indian Act. Under the provisions of the Bill we refer it to the Exchequer Court, the evidence will be taken and laid before Parliament and by formal resolution Parliament refers it to the Governor in Council to be dealt with without the consent of the Indians. The necessity of taking advantage of the provision of this Act would be due simply and solely to the unreasonableness of the Indians. I do not think that the hon. gentleman has interpreted the Act aright when he states that the fact that there is land in abundance, or more than is required for the Indians, will entitle the minister to refer the matter to the Exchequer Court. I am sure that no minister of the Interior would do so and if that were done by a minister no judge of the Exchequer Court would decide that it was either in the interest of the Indians or of the public that that particular land should be taken from the Indians.

Mr. OLIVER: If my hon. friend the Minister of the Interior (Mr. Roche) had confined the section of his Bill to the taking of land from the Indians for the purpose of some specific public utility his argument would be good. But there is no such limitation in the Act. He may say that a minister of the Interior would not refer the question of taking land from the Indians unless for some good reason but if Parliament has placed fairly on the statute book the complete authority enabling the minister to do so is not that his sufficient warrant for doing it? We cannot go behind the plain wording of the statute, and if we, the members of this House at this time, assist to put on the statute book a provision which defines a sufficient reason why the land should be taken from the Indians, we are not to find fault with a future minister of the Interior or a judge of the Exchequer Court, if he exercises his authority in accordance with the statute passed by this Parliament. The responsibility is on this Parliament here and now to decide how far they will allow this discretion to the ministers of the Interior for the future. In regard to public utilities, if my hon. friend will look at the amendment to the Indian Act made in 1911, he will see that provision was made for the expropriation of land on reserves without the consent of the Indians for specific public utilities, that is to say, for a railway, a road, public work, or a work designed for any public utility. It seems to me that this is going far enough to meet the requirements of the public interest, and that if we are going beyond that we are going beyond the requirements of the public interest, and we are making an undue trespass upon the rights of the Indians and upon the good faith of the people and Government of Canada that is after all a matter of some importance.

Mr. BRADBURY: I am placed in rather an embarrassing position. During 1911, when the hon. gentleman who has just sat down (Mr. Oliver) introduced an amendment to the Indian Act which took away the right of the Indians to vote whether they should surrender a certain portion of their lands or not, I took strenuous objection to that amendment, and I pointed out that the amendment would deprive the Indians of a right which they enjoyed under treaty. The amendment that is proposed to-night goes farther than that of the hon. gentleman went, and consequently I feel that the powers that the Indian Department are asking for to-night are altogether too great for that department to have. In justice to the Indian, we must not forget that at one time he was all-powerful in this land, and that when these treaties were made he was in a position to enforce his side of them. To-day we are strong, but I am afraid we are neglecting to realize our position, and are taking advantage of our strength to deprive the Indian of some of the rights which he should enjoy under his treaty. If this amendment had gone no farther than to provide for the expropriation of land within the limits of a town, or adjacent to a town, and if it had provided, as it does, for expropriation proceedings to be taken before the Exchequer Court and that the judgment of the Exchequer Court should be submitted to Parliament, I would have had no hesitation in supporting the amendment. But I feel that this proposed amend-

ment is altogether too broad, broader than necessary, and I would suggest that the Government should limit the power to merely taking lands within towns or adjacent to towns, a reserve situated fifteen or twenty miles away from a town. According to the provision of this Act, if anybody succeeded in winning the ear of the department a change might occur similar to that which occurred in 1908 when the St. Peter's Indian reserve was surrendered, without the Indians' consent. Under this provision, without the Indian's consent, this matter could be taken to the Exchequer Court, and his land taken away from him. I think that this is absolutely wrong, and unfair to the Indian, and that no such power should be vested in any department. The Indians have rights, and we ought not to trespass upon them. We have boasted in Canada for years that the Indians, under the British Crown, always received fair play and justice.

I regret to say that in following up the history of the manner in which the Indians have been treated in times past, by the provincial governments and by federal governments in Canada, I have discovered that that boast is not well-founded. The Indian has been exploited in this country to a degree that is pretty hard to conceive. In Ontario the Indian timber lands and the Indian reserves were exploited, and in the different provinces the same thing occurred. I believe it is the duty of the Government to see that the Indian is properly protected. I have every faith in the intention of the Superintendent-General of Indian Affairs to protect the Indians, but I am bound to say that in my judgment this amendment is giving him greater scope than he needs for the purpose of carrying out the intention of the department, and that he ought to ask Parliament for. I do not intend to dwell on this matter, but I can asuure you that I feel that in the interests of the Indians of Canada this amendment should be limited in such way as would not give the department power to expropriate lands that are not needed immediately for public purposes. I can understand that an Indian reserve must be subject to expropriation as is any other property, when it is needed for public purposes, but taking the reserves all over Canada I do not think Parliament should be asked for this power in the present Bill.

Mr. ARTHURS: I am sorry that to some extent I cannot agree with the hon. member (Mr. Bradbury). There are a good many Indian reserves in my constituency, and I have never known the timber upon them to be sold other than by the consent of the Indians, and in every case that has come to my knowledge they have always secured a very good price; a price rather higher than was got for the adjacent timber. In connection with this particular clause of the Bill, I may say that there is a reserve, not in my riding but in that of the Minister of Railways, which is well known to me and for the expropriation of which there has been a very strong agitation for some years. I do not know the name of the reserve, but it is almost adjoining the town of North Bay on lake Nipissing. It has been for a number of years a great handicap to the town of North Bay, which in the assessment before last had a population of 8,000. The Government of Ontario has been for a number of years building a great trunk road from North Bay to Sault Ste. Marie which has to cross this reserve, and the Government have been handicapped by the fact that they cannot get the right to cross the Indian reserve, and even if they got the right they would have no chance to keep the road in repair except at the expense, presumably, of the Government of Ontario. There are no roads leading west out of North Bay, which is due simply to the fact that they cannot get the right to pass the road through this reserve. I think that this clause, surrounded as it is by the safeguards placed in it by the minister, by the fact that there must be a judgment of the Exchequer Court before any action is taken, and as I understand it that it must be endorsed not only by the Governor General in Council but also at the succeeding session of Parliament, I think this clause safeguards and protects every right of the Indians. In justice to these towns which are situated as North Bay is, this Bill should pass.

Mr. OLIVER: In regard to the reserve which my hon. friend (Mr. Arthurs) speaks about, I may say that the Indians of that reserve signed a surrender, and part of the property was sold at auction, but there was a right maintained by some of the timber men and I believe an action is now pending in the courts. That is the reason the reserve has not been opened up. It is not the fault of the Indians nor the fault of the department, but the fault of some rights which have been acquired by holders of timber, who would not let go of these

rights and who have been maintaining their position by action in the courts.

Mr. ARTHURS: Is not that due to the fault of the Indian Department in the sale of the timber? My contention has been for years, and it is the policy of the present Government—I think it was the policy of the hon. gentleman (Mr. Oliver) when he was Minister of the Interior—not to sell this timber except on condition that it be removed within a short term of years. This reserve is not large, and there is absolutely no reason why the lumbermen should not remove the timber within one or two years.

Mr. OLIVER: The arrangement I refer to was made many years ago under the old system, and the owner simply holds on to his right and refuses to let go, and the arrangement has been retarded up to the present on that account. I am sorry that the minister does not see fit to make some concession to what I think is not only the public interest but the good faith of the people of Canada. When it comes down to the question of good faith on the part of the Indian Department, if that is to be the final test in this matter, I am bound to say that the evidence which has come to me is not such as to warrant me in placing dependence on the good faith of the department in dealing with the Indians. I have had occasion to bring to the attention of Parliament the case of the Kitsilano Indian reserve, situated within the limits of the city of Vancouver. It was for the purpose of procuring the removal of the Indians, and the sale of that reserve for the benefit of the Indian owners, that this particular amendment to the Indian Act of 1911 was passed. Had the Act been operated under, the rights of the Indians as well as the rights of the city of Vancouver, they would have been protected. But instead of having that done, the position of affairs is this: the Indians who occupy that reserve, and whose property it was, have disappeared from it, and their buildings have been burned. They have gone elsewhere, we have been informed, without the knowledge of the department. Whether with or without the consent of the department we do not know, but we know it is absolutely and unquestionably without the protection of the department. These people have been sent away; they have been paid money by the Government of British Columbia to vacate that reserve, and they have vacated it, but no provision has been made for them in their new location, such as the Indian Act of 1911 provides for. These people have been paid a large amount of money by the Government of British Columbia. By what secret arrangement with the Dominion Government that was done I do not know, but I am perfectly satisfied that it was done under some secret arrangement with this Government. The Government of British Columbia paid that money, the Indians received it. The British Columbia Government had an understanding with this Government as to what their rights in that reserve would be or they never would have paid the money to the Indians, and the Indians are wanderers on the face of the earth to-day without the money, without the reserve, without recourse against anybody, and without having received an item of protection or consideration from this Government. Under these circumstances the minister must not ask us too much to trust the good faith of the Indian Department in a matter of the administration of Indian affairs. It is the fact, though I have not the figures before me, that these Indians were paid a large amount of money by the British Columbia Government. But it is also a fact that they were not paid within fifty per cent of the well established value of the reserve. The money value of that reserve was the property of those Indians according to the law of Canada; and under the Act placed on the statute-book in 1911, they would have received the full value for their reserve; they would have been established on other lands to which they would have had title; but instead of that, they have received money, not the value of the property that was theirs; they have been taken away from the land that belonged to them; their buildings have been burned, and they are to-day occupants of other reserves or wanderers over the province without a home in any part of the province. That is the administration of Indian Affairs that we have under this present Government; and when that Government comes here with a Bill of this character, which places every Indian reserve from the Atlantic to the Pacific absolutely at the mercy of the Minister of the Interior, I say they are asking too much when they ask us to pass such a Bill without consideration. I move that section 6 be struck out.

Mr. STEVENS: I cannot allow the remarks of the hon. gentleman (Mr. Oliver) to pass untirely unchallenged. I quite understand that he makes them with the best

possible intention of protecting the interest of the Indians; but I think he has been somewhat misinformed in so far as the facts are concerned in regard to the Kitsilano reserve to which he has just referred. In the first place there was absolutely no action taken on the part of this Government to remove the Indians from the Kitsilano reserve; the Indians went of their own free will. In the next place it should be definitely understood that the Indians belonging to the Squamish band, of which the Indians of the Kitsilano reserve were a portion, have at least half a dozen reserves within a short distance of the city of Vancouver, and they move around from one to the other. Some of them are fairly well fixed on the different reserves; but not as a tribe are they fixed in any one locality, and the few Indians who lived on the Kitsilano reserve did not live there constantly, but steadily moved from one part to the other. In so far as the buildings are concerned, to which the hon. gentleman has referred, they are very, very few and of the most dilapidated character, so that no particular harm has been done to the Indians in that regard.

I would also draw the attention of the House to this fact, that the Government stated last year that, in so far as the Indian Department was concerned in its relation to these Indians, it was not different in one iota from what it was prior to the action of the provincial Government. I do not know that there has been any change in the situation since that time. I would like to say this—and I think the hon. member from Edmonton understands it—that the British Columbia Government put up a strong claim for reversionary rights; and in their exercise of it, in my estimation, an error was made. I do not think the provincial Government were probably well advised in acting exactly as they did, but from their viewpoint their action was warranted. An effort is being made, however, and I think has almost reached a point of successful conclusion, where this matter will be amicably adjusted, and the Indians, I think, will be dealt with in a perfectly just manner. I do not think that the hon. gentleman (Mr. Oliver) will have any complaint to make when this Government is through with the Kitsilano Indian reserve. He realizes the difficulty which always presents itself in dealing with an Indian reserve and its surrender, especially when complicated by provincial claims or rights, such as we have in this case. I would like the House to remember and understand that no injustice has been done to the Indians of the Kitsilano reserve by this Government, and that their interests are being well protected. I know this perfectly well, because I have been deeply interested in the whole matter.

I wish to say one word as to the merits of the Bill in general. In and around the cities throughout this country there are certain Indian reserves. There is one right in Vancouver, known as the Kitsilano reserve, and there is another in the city of North Vancouver. In the vicinity of North Vancouver district there are two more. Thus there are four reserves in and around the harbour of Vancouver. I but use this as an illustration. The Indians are suffering morally and in every other way from being kept upon these reserves, and I think it is desirable to get them away from city life. No hon. member will question the wisdom of getting the Indians away from contact with the cities. It is difficult under present legislation to deal with these Indian reserves; and as I understand it, this Bill will make the process a little more easy, and at the same time adequately protect the Indians and the public. I do not know a piece of legislation which so thoroughly protects the interest of the public and the Indians as this legislation, by which a reference is first made to the Exchequer Court; then it comes to the House and must go through both Houses of Parliament, and finally the Governor in Council deals with the question. It is impossible to throw more safeguards around a question of this kind than is being done by the arrangement made by the Minister of the Interior. With the growth and development and the advance in settlement in all parts of the country, it is recognized that we must do something to deal with the Indian reserves. Personally I would be in favour of a policy that would place the Indians on a basis of individual citizenship where we could get them, after a few generations, entirely off the hands of the Government from the standpoint of being wards. I know a large number of Indians, in the West particularly, who are well fitted to-day to take up the full rights of individual citizenship and be established upon farms and carry them on successfully. On the other hand, it would take some time to educate and develop other bands of Indians; but it would be a wise policy on the part of the Government to take steps of that kind. In the meantime, measures must be provided to deal with this question, and under the strictest regu-

lations, and I believe the minister has discovered a method by which this can be done successfully.

Mr. OLIVER: Does the hon. member expect the Indians of that reserve to get the full value of their reserve ?

Mr. STEVENS: I have no hesitation in saying that, in so far as I am concerned, I would not ask the department to sanction anything short of the Indians getting a just and fair value for that reserve.

Mr. OLIVER: Has the hon. member any idea as to how they are going to get it?

Mr. STEVENS: I have an idea, but I do not think this is the proper time or place to give it.

Mr. BORDEN: The Indians are really in a very good position according to the statement of my hon. friend, because it seems they have received a considerable sum of money as compensation for this land, and the land is still held by the Government of Canada as trustees for them.

Mr. OLIVER: The only failure with that theory is that it goes on the supposition that the British Columbia Government do not know what they are doing; that they are a Government of fools, and that they are wasting the money of the people of British Columbia in handing it out to a band of Indians not knowing what they are handing it out for. That I think is a mistake. I have said before and I say again that, when the British Columbia Government handed out that money to those Indians, they had an understanding either with this Government or with members of this Government as to how they were going to be recouped for that money; either that or they are fit candidates for the penitentiary. It is either one or the other; there is no other recourse. They have taken the money of the people of British Columbia and have handed it out to a band of Indians. Now, either they have got value or they have not got value. If they have got value, they have got it by an understanding with this Government whereby the Indians sold their property for less than half what it is worth; and if they have not got value, then they have robbed the treasury of British Columbia. You can put it either way you like, but it is one way or the other. And I say that under the circumstances I certainly cannot be a party to supporting a provision such as contained in this Bill. My hon. friend has suggested that the conditions in Vancouver demand the legislation proposed in this Bill. There is legislation already provided—has been since 1911—that absolutely provides for the case in the city of Vancouver, or can be used to provide for such a case, whereby the interests of the Indians will be absolutely protected and the well-being of Vancouver will be equally protected. There is no difficulty about it. But the Government, or the department, did not see fit to take action under that Act. I did not say that this Government removed the Indians from this reserve. I said that this Government, which is the guardian of the Indians, permitted their removal from this reserve, permitted the burning of their buildings, such as they were. The Government either are the guardians of the Indians or they are not. I take it that they are the guardians of the Indians; and if so it was their business, if the Indians were making an improvident bargain, to see to it that they did not make that improvident bargain. If the Indians had anything to sell they were under the guardianship of this Government, and it was the business of this Government to see that they did not sell it for less than its value. That, I think, will be admitted. On the other hand, if the British Columbia Government took the money of the people of British Columbia and handed it to a band of ragged, dirty Indians, without getting value, then the British Columbia Government ought to be in jail.

Mr. STEVENS: The hon. gentleman is entirely wrong in his supposition. He is aware that the British Columbia Government made certain specific claims for reversionary rights. They are acting in good faith, and acting properly. There is a difference of opinion on the subject of those reversionary rights, but the Government have repeatedly stated just what their position was. When he charges the British Columbia Government with a criminal act, he knows that he is stretching it very far. They acted in good faith and within what they believed to be their rights. We believe they are mistaken in the assumption of that right, and the matter is now in process of very reasonable and successful settlement. It takes some time to settle an intricate question of that kind, but there is every prospect of a reasonable and satisfactory settlement, satisfactory to the British Columbia Government, to this Government, to the Indians and to the public at large. As to the hon. gentleman's

reference to these Indians as a dirty and ragged band, I do not see why the hon. gentleman should use that language. They are Indians, industrious and hard-working —fishermen most of them—and there is no reason for the imputation he makes against them. We are the guardians of the Indians, and so far as we in the West are concerned, we do all we can to help them along. I do not suppose he really means what he says, but simply wants to add ginger to his remarks.

Mr. OLIVER: I am delighted to hear that these Indians are what the hon. gentleman says. I spoke of them only as I have seen them spoken of, as a very degenerate band of Indians who were not at all desirable to be where they were or competent to do their own business. If they are of the better character, I am very glad to know it, and I again come to the point that if they were doing business with the Government of British Columbia, and that Government were acting in good faith, then this Government was not acting in good faith in allowing the British Columbia Government to deal with these Indians as these Indians were dealt with.

Mr. ROCHE: This Government knew nothing about the matter until the deal was over and the houses burnt. That is my information on the subject, and I repudiate the assertion of the hon. gentleman.

Mr. OLIVER: If the hon. minister did not know he is the only man in Parliament who did not know, because the House was informed at the time by the British Columbia papers that this transaction was in progress. Yet no steps were taken either then or afterwards to deal with the matter. The hon. gentleman was certainly informed, the House was thoroughly informed, before the buildings were burned. It was all published in the newspapers. And I say now that if the department did not know, then the department should have known. It was the department's business to know. These Indians are their wards, and this property was worth a very large amount of money and the Government knew it. It is no excuse to say they did not know when everybody else in Canada knew.

Mr. BORDEN: So far as the Government is concerned we are not very much concerned by my hon. friend's opinion of the Government of British Columbia; the Government of British Columbia is responsible to the people of that province and not to him. They may have equally strong opinions about him, for anything we know. But all these matters are entirely irrelevant. This Government realizes that in respect of these lands it stands as trustee for the Indians and will maintain the Indians' rights. As was said last session, the supposed surrender not having been accompanied with the formalities provided for by the Indian Act, does not affect the title as we understand it. The position we took last session is the position we hold today. So far as this section is concerned, which is the matter under consideration at the present time, some hon. gentlemen have dealt with it as if some attempt was being made to rob the Indians of their land. The ordinary individual in this country is subject to powers of expropriation exercised not only by the federal Government but by railway corporations. The rights of the Indians under this legislation are preserved to this extent—that there must be in effect, what is equivalent to a special Act of Parliament before they can be interfered with even for public purposes. You have in the first place the responsibility of the Government through the Superintendent General of Indian Affairs exercised along a defined line. Then you have the judgment of the Exchequer Court exercised along the same line. Lastly, and after all that has been done upon due consideration and inquiry in court, nothing can proceed until Parliament ratifies it. So, as I have said, a special Act of Parliament must be passed to accomplish in respect of the Indian reserves what can be accomplished in the case of the property of the ordinary citizen by merely an administrative act of the Government or by a railway corporation. I would be sorry indeed to have any legislation passed that would in the slightest degree be capable of use for the purpose of injustice to the Indian. I realize some strength in one criticism of my hon. friend which I have discussed with my hon. colleague the Superintendent General of Indian Affairs. I refer to what is contained in lines 20 and 21, of page 2 of the Bill, the words 'or which contains more land than is necessary for the use of the band.' The object of the resolution in the first instance and of this extended legislation was to so deal with the land which might be situated in a particular part of the country whose development it would retard that that land might be acquired without injustice to the Indians and with due provision for the Indian elsewhere.

I am not at all sure that the expression

'or which contains more land than is necessary for the use of the band' is really required for the purposes of the Bill as based upon the principles that have been laid down, and I would suggest to my hon. friend the Superintendent General of Indian Affairs that if he sees no valid objection to it, these words might be struck out of the Bill, which would still contain all provisions that are really necessary to carry out the purposes for which it is intended.

Mr. MARCIL: Why not say: 'When any portion of a reserve is required for public purposes?' I am pressing this point because I asked the Minister of the Interior a few days ago if application had been made for the taking over of a portion of the Restigouche reserve and he informed me that a company had asked for land there, but that the Indians had refused to surrender it. Under these provisions this same company can make application and proceed to make out a case to the Exchequer Court and obtain the land. I am prepared to support this measure if altered but I do not want legislation to be passed here which will enable these reserves to be used for private purposes, as they would be in the case of the Restigouche reserve, opposite Campbellton. A company has land there with a saw-mill upon it; they are looking around for property for the purpose of erecting a pulp mill, they have taken up options all along the Restigouche river. They have applied to the Indians for land in their reserve for the establishment of a pulp mill, but the Indians have refused to give it. Under these conditions the company can go to the Exchequer Court and show that the Indians occupy more land than they need, that the reserve is so situated as materially to retard the natural development of the surrounding country, and if it is believed that the company will employ a large number of men and materially assist the development of the country, the Exchequer Court will grant the application. In the shape of a ministerial measure the matter will soon pass through Parliament and the Indians be dispossessed. Give me legislation that will provide for the taking possession of the lands of the Indians upon an equitable basis, and I will support it, but under the legislation now proposed the company referred to may secure the land of the Indians, which they could not secure otherwise, not for public purposes but solely for their own private use. The counties of Restigouche, Bonaventure and Gaspé have urged upon the Government for years the necessity of the linking up of the Gaspé railway with the Intercolonial and of building a highway and a railway bridge connecting Campbellton with the county of Bonaventure. This railway would pass through the Indian reserve; for a purpose of that kind there would be no possible objection to the acquiring of the land. If the town of Campbellton should make application for a portion of this reserve for public purposes, I would have no objection whatever, but I am afraid that we are putting through legislation by which we are helping a company—a company of Americans at that, from Portland, Maine—to dispossess these Indians, who have been on their reserve for over half a century. I think the matter is well worthy of consideration.

Mr. BORDEN: My hon. friend is, I think, unduly apprehensive. I would not imagine that any superintendent general of Indian affairs would undertake to exercise the powers conferred upon him under this Act for the individual interests of a company or syndicate. The reserve in regard to which any changes are proposed to be made must be within the immediate neighbourhood of a town or city, or must be so situated as materially to retard the natural development of the surrounding country. And there is something more than that. The question to be referred to the Exchequer Court is whether, having regard to the interests of the public—not of a company or syndicate—and having regard to the interests of the Indians of the band, it is expedient that the Indians should be removed. Before action may be taken, the judge must determine that it is in the interests of the public and in the interests of the band that they should be removed. If, after having inquired into the evidence and after having heard the Indians, represented by counsel, the judge should find that it is expedient to remove the Indians, the matter must come before the high court of Parliament and be sanctioned by Parliament before any further steps may be taken. Under those circumstances it seems to me that it is impossible to imagine that the provisions of the statute will be made to subserve any merely individual interests. That is not the idea at all; the idea is that the courts shall determine whether or not removal is in the interests of the Indians and in the interests of the public.

9 p.m.

In the event of removal, the Indians shall be fully compensated in every respect and provided for elsewhere.

Mr. MARCIL: I am sorry to be obliged to insist upon this matter, but there has been nothing as yet to show by whom application for this land is to be made.

Mr. BORDEN: There is no question of application at all.

Mr. MARCIL: If the minister refers a case to the Exchequer Court, he will do so, presumably, because somebody suggested that a portion of this reserve should be taken for some public purpose, or otherwise. If this application came from the Atlantic and Lake Superior railway, from the Intercolonial railway, from the town of Campbellton or from any public body and if the land were to serve a public purpose, I would not find fault, because I think the interests of the public are supreme, but in this case we do not know who the application may come from.

Mr. BORDEN: In this respect the legislation is exactly the same as the Act was found in 1911. No application was contemplated; it was supposed that the superintendent general of Indian Affairs would keep himself acquainted with the conditions in connection with these reserves throughout the country and I presume that it was expected that when a certain condition forced itself upon his attention, he might, after careful consideration, make the reference to the Exchequer Court of Canada which is provided for in the statute.

Mr. ROCHE: The interpretation placed upon this section by the hon. member for Edmonton is evidently that, where there is too much land or more than is necessary for the Indians, for that reason alone the reference can be made to the Exchequer Court. As the Act was not intended primarily to cover that condition, I would have no objection to striking out the words 'or which contains more land than is necessary for the use of the band' in the third and fourth lines of subsection 1 of section 6, and I beg to move accordingly.

Motion agreed to.

Mr. OLIVER: I think the amendment proposed by the minister certainly removes the most objectionable feature of the Bill. My view is that in the former Act Parliament went as far as Parliament was entitled to go in authorizing a trespass upon the rights of the Indian, and I cannot agree to going so far as the amended section goes, which gives the Government the right to interfere with the Indian reserve whether it has a particular value or not. Any reserve that comes within the limitations still left—if it is near a town, or if it is in the way of the development of the country—may be sold whether it has any serious value or not, and the Indians displaced and put elsewhere. I say that such a provision is simply an ignoring by Parliament of the treaties made between the King and the Indians, and that Parliament should not be a party to such a transaction. What was done in the Act of 1911 was an extreme measure to deal with an extreme case, and that is as far as Parliament should go.

Mr. CARVELL: I am very glad that the minister has seen fit to eliminate what appeared to me to be the most objectionable part of this legislation, but even then I do not think he goes far enough. As has been stated by the hon. member for Edmonton, either we are the custodians of the Indians and their property, or we are not. Anybody who knows the resourcefulness of people throughout the country—I am not referring to one set of politicians more than to another—can see how readily some people can get up some sort of an excuse to justify the department taking action. Two illustrations have been given this afternoon and evening: one was the Kitsilano reserve in British Columbia; certain people wanted that land, and they got it. The member for Vancouver and the minister may explain it in any way they like, but the fact remains that the Indians have lost their land and the people who wanted it have got it. The other, was the case down in New Brunswick. A certain gentleman wanted the lumber or the land of that reserve, and he got it through this department without any trouble. True, that by the vigilance of some people, myself included, the man has been compelled to pay a fairly good price, though even then probably only part of what the land is worth. If this Bill goes through even as amended, and leaves in the words:

> Or which is so situated as to materially retard the development of the surrounding country.

I can readily see how certain designing gentlemen might convince the minister that it is necessary to get rid of the rest of the reserve in order not to retard the development of the country. It looks to me as if this was a scheme by which every small Indian reserve in Canada may be obliterated, and the gentlemen who are support-

ing my hon. friends opposite will have ability and originality enough to devise some scheme by which these lands will be sold. My hon. friend knows how resourceful people are when dealing with a friendly Government. Perhaps the most useless provision in the whole Bill is that by which the minister provides for counsel for the Indians. We know how easy it is to provide counsel who are not working for the Indians, but for the people who want the Indians' land. To my mind, that is the most objectionable clause in the whole Bill. I think that this section should be entirely eliminated. We have already legislation to deal with a reserve in the vicinity of a large city, but here you are bringing it down to a reserve near any little town of 2,000 or 3,000 people. You are putting it into the hands of designing people to get the Indians' land, and the Indians cannot help themselves.

Section agreed to. Yeas, 43; nays, 17.

Mr. MARCIL: I did not vote as I was paired with the Minister of Justice (Mr. Doherty).

Mr. GUTHRIE: I am paired with the hon. member for Lincoln (Mr. Lancaster). Otherwise, I would have voted against the section.

On section 9—restriction Indian dances, etc.

Mr. CARROLL: I want a little information from the minister. It might more properly be asked for on section 1, but perhaps the minister may give it to me now. Does the Department of Indian Affairs make any provision for the upkeep of young Indians who may be sent to reformatories for petty offences?

Mr. ROCHE: I understand they have to be committed by a judge of the province.

Mr. CARROLL: Under the provisions of our criminal law a person under the age of 18, instead of being sent to a penitentrary, may be sent to a reformatory, or, as we call it in Nova Scotia, an industrial school. They are kept in confinement at those schools, but are taught certain trades. The municipality or town from which the culprit goes pays a portion of his upkeep providing the parents are not in a position to do so. I want to find out whether the department pays a certain proportion of the upkeep of a young Indian sent to a reformatory?

Mr. ROCHE: No.

Mr. CARROLL: I just wish to bring to the attention of the department this fact. In our large cities with Indian reserves in the vicinity, young Indians like other people get into trouble. They commit offences and may be sent either to the penitentiary, to the common jail, or to a reformatory. Our stipendiary magistrates and judges try these cases—mostly stipendiary magistrates—and in the majority of cases the young Indians are sent to the common jail, where they do not receive proper care. I am talking of Indians under the age of 18. In Nova Scotia, we have both a Protestant and a Catholic reformatory. The Catholic offender is sent by the stipendiary magistrate to the Catholic reformatory, and the Protestant offender to the Protestant reformatory at Halifax, but Indians do not get the same justice, for the reason that they do not pay any taxes to the city or municipality. The city or municipality must pay a part of the upkeep of the inmates from its particular locality in these reformatories. I have talked with the stipendiary magistrate in Sydney and he has said to me: The city will not stand for me sending these young Indians to the reformatory because the municipality will have to pay for their upkeep. The provincial Government pays one-third, the municipality one-third, and the home provides something further as a matter of charity. The magistrate stated that it would not be fair to send these young Indians to the reformatory because the Indians do not pay anything towards the taxes of the city and therefore he had to send the Indians to the common jail. My hon. friend knows what common jails are for young people whether they are Indians or white people. I bring this to his attention so that the department may give it some further consideration and, perhaps, at some future time, something may be done towards bringing in an amendment to meet this particular difficulty.

Bill reported.

On the motion for the third reading of the Bill:

Mr. OLIVER: With reference to the section with regard to permission to Indians to participate in shows, this matter was discussed the other night and we were not quite clear as to whether this prohibition applied to the interchange of visits among reserves for the purpose of attending festival and ceremonial dances.

Mr. ROCHE: No, it does not.

Motion agreed to, and Bill read the third time and passed.

FOREST RESERVES AND PARKS ACT.

The House again in Committtee on Bill No. 137, to amend the Dominion Forest Reserves and Parks Act.

On section 1—schedule to Dominion Forest Reserves and Parks Act amended:

Hon. W. J. ROCHE (Minister of the Interior): The Bill is intended to make a considerable addition to the forest reserves in Saskatchewan, enlarging them from 1,801 square miles to 7,910 square miles. In Alberta there is no alteration whatever. In British Columbia there are added 1·5 square miles and eliminated 1·75 square miles, making very little alteration.

Mr. OLIVER: Where is the elimination?

Mr. ROCHE: There is an elimination at Long Lake Forest reserve of 1·5 square miles and at Larch Hills of 1·75 square miles. In Manitoba the Bill cuts off 36 miles from the northwest corner of the Riding Mountain Forest reserve, reducing the area there from 4,180·5 to 4,072 square miles. The reason of this is that the reserve cuts into the municipality of Bolton and the municipal council have petitioned us representing that they desire to have this land for taxation purposes. The area has been examined and pronounced fit for agricultural purposes and the municipal authorities are desirous of having it included in the municipality.

Mr. OLIVER: Has the minister considered the desirability of withdrawing the Lake Manitoba Forest reserve in Dauphin? It is between lake Dauphin and lake Manitoba, and consists of about seven townships. It is closely settled. I was advised while I was minister that there was no good warrant for maintaining it as a forest reserve, and I was under the impression that I had provided for its elimination. There is one small timber limit on it. I was discussing this with the hon. member for Dauphin (Mr. Cruise), and he did not think it should be maintained as a reserve.

Mr. ROCHE: The seven townships on the west side of lake Manitoba were pronounced fit for agricultural purposes, and there is a branch of the Canadian Northern railway running into that country which will penetrate the reserve and go farther north. The area has been withdrawn from the forest reserve.

Mr. OLIVER: Has that withdrawal taken place under this schedule?

Mr. ROCHE: No, the townships were withdrawn before, and it is my intention to have them thrown open for entry in the ordinary procedure this summer.

Mr. OLIVER: The reserve was withdrawn, but the proceedings have not yet been taken to throw it open for entry?

Mr. ROCHE: Yes.

Section agreed to.

On section 2—paragraph 7 of schedule amended:

Mr. OLIVER: The minister might say as we go on what the particular reserve is, and what the change is.

Mr. ROCHE: First, Long Lake; second, Larch Hill.

Mr. OLIVER: Increase or decrease?

Mr. ROCHE: The former decreased by 1.5 miles and the latter by 1.75.

Section agreed to.

On section 3—paragraph 10 of schedule amended:

Mr. ROCHE: This provides for the area taken from the Riding Mountain.

Mr. OLIVER: In regard to the Riding Mountain reserve, the hon. member for Dauphin (Mr. Cruise) left with me a return in which I find the following letter:

Office of the Riding Mountain Forest Reserve,
Kelwood, Man., November 12, 1912.

Sir,—Enclosed find report of P. T. Allen, forest assistant on townships 24 and 25, range 27, W., in the Riding Mountain forest reserve. I am of the opinion that this is a fair and impartial report, and is an accurate description of the land and conditions contained in those two townships. J. W. Curry was on this work with Mr. Allen and they made a thorough inspection as directed to do. The map of this territory will follow in a few days, as it is not quite completed at the time of writing; it will convey a fairly good idea of the amount of water, sloughs and timbered land, as well as stony ridges; there are also a large number of photographs that will be of value to show the nature of the reproduction, and the general looks of the country.

I am satisfied now, as I always was, that this is forest land and not fit for agricultural purposes, and if it is out of the reserve we will know it is for political reasons only.

Your obedient servant,
(Sgd) Albert McLeod,
Supervisor.

R. H. Campbell, Esq.,
Directory of Forestry,
Ottawa.

Mr. ROCHE: I have reports here quite to the contrary. The present supervisor, the Inspector of Forest Reserves, and the Homestead Inspector, report in its favour. There is a resolution passed by the municipal council, signed by Mr. Armstrong, secretary-treasurer, stating that the municipality desires to see it open as there is no timber on the same, and it is suitable for agricultural purposes. There is a letter from the reeve, Mr. Hemboff, a strong political opponent of mine, who sends forward a resolution of the council, stating that it should be thrown open for homesteading. The preponderance of evidence seems to be for its withdrawal.

Mr. OLIVER: I am not familiar with the case myself, but there seems to be quite a strong sentiment. In view of the discussions between the minister and myself in former years, in regard to the settlement at Clear Like in the Riding Mountain reserve, has that been completely disposed of?

Mr. ROCHE: There is no settlement there now.

Section agreed to.

On section 4—Porcupine Forest reserve.

Mr. OLIVER: That seems to be a very large addition. My understanding of the purpose of these forest reserves was that by their reservation the source of water supply would be conserved. Is this part of the Porcupine Hills a source of water supply?

Mr. ROCHE: It covers the headwaters of a large number of important rivers. It is reported that the soil is nowhere of permanent agricultural value.

Mr. OLIVER: Under present circumstances, when our homestead lands are within measurable distance of exhaustion in the vicinity of existing railroads, there should not be reserved such an enormous tract of land as this unless the Government is thoroughly satisfied that there is no considerable portion of it available for homesteads. On the face of it, it would seem hardly reasonable that there is in that country such an immense area that does not contain land suitable for homesteading. If the department has thoroughly examined the country and is satisfied, of course there is nothing more to be said. I merely draw attention to the fact that this is a time when there should be more than ordinary care taken before reserving lands from homestead settlement. I observe that a large part of the area has been township surveyed.

Mr. ROCHE: I made particular inquiry as to this land. It was selected and temporarily set aside the year before last and I notice that resolutions have been passed by the associated boards of trade in the West urging us to enlarge these forest reserves for the conservation of water and for re-forestration. The officers report that these lands are not available from an agricultural standpoint.

Section agreed to.

On section 5—Cypress Hills.

Mr. OLIVER: I would be quite ready to support the minister in fairly drastic action in securing considerable reservation on the crest of the Cypress Hills, and for an expenditure for the purposes of afforestration. There is an area, above all others in the West, where good can be done by securing the conservation of the water supply at the source of the streams flowing both north and south. I must plead guilty to not having taken very drastic action when I was minister in making large reserves there, but as the present minister seems to be willing to make large reservations I desire to place before him the fact that the summit of the Cypress Hills is above all other territory in the prairie provinces the place where it is desirable there should be afforestration. I would be quite willing to go a very considerable distance in support of the minister in acquiring lands in the proper localities and in making provisions for the growth of forest upon these lands, believing that a very great good can be done by that policy.

Mr. ROCHE: This is a new reservation situated near Seward and Webb on the Canadian Pacific railway main line. It has been reported on as a suitable place for this reservation. The Minister of Agriculture for the Province of Saskatchewan suggested in 1907 that as there was not yet sufficient forest in Saskatchewan to provide for the settlers, this area of agricultural land should be reserved and reforested. In response to a request of this character this reserve has been created.

Mr. OLIVER: Is it west or east of Maple Creek?

Mr. ROCHE: East, I think.

Mr. OLIVER: I have found it on the map; it is not very far from Swift Current.

I have travelled over that railway very frequently and I do not happen to have in mind any territory answering the description that my hon. friend has given. I almost think that he is running this reserve business a little into the ground.

Mr. ROCHE: Do you not think the Minister of Agriculture of Saskatchewan is pretty well acquainted with the neighbourhood?

Mr. OLIVER: I will admit that he ought to be and, of course, he has an interest in the matter. The responsibility, however, is here; and again I say that to make a reservation on the main line of the Canadian Pacific railway, that is absolutely accessible to settlement, is a rather serious responsibility unless there is remarkably good reason for it.

Mr. ROCHE: It would have been taken up before now if it had been fit for agriculture.

Section agreed to.

On subsection 33—Elbow Forest reserve:

Mr. ROCHE: This is a new reserve.

Mr. OLIVER: Is it west of the Elbow?

Mr. ROCHE: It is 70 miles northwest of Moosejaw, and about 80 miles directly south of Saskatoon.

Mr. OLIVER: Is it west of the Saskatchewan river?

Mr. ROCHE: The area proposed for the reserve is 119 square miles; and consists of two parts, one lying immediately west of the Saskatchewan river, at what is known as 'The Elbow' of said river, the other lying three or four miles east of the Saskatchewan river.

Mr. OLIVER: These lands are being set aside as forest reserves, although as a matter of fact there is no forest there. Is it the intention of the Government to establish forests, or is this merely a name used for the purpose of establishing a reservation?

Mr. ROCHE: The intention is to reforest. It is land, as I understand it, that is unfit for agricultural purposes and has not been settled upon, although in an old and settled part of the province. It has been recommended as suitable only for reforestation.

Subsection agreed to.

On subsection 35—Keppel Forest reserve:

Mr. OLIVER: Where is that?

[Mr. Oliver.]

Mr. ROCHE: That is a new reserve consisting of three blocks, and comprising 86.25 square miles lying southeast of Battleford, in the province of Saskatchewan.

Subsection agreed to.

On subsection 36—Manitou Forest reserve:

Mr. ROCHE: This is a new reserve, comprising a broken and hilly tract of 180 square miles, lying immediately south of Manitou lake, and reaching to the western boundary of Saskatchewan.

Sub-section agreed to.

On subsection 37—Steep Creek Forest reserve.

Mr. ROCHE: This is a new reserve comprising seven square miles, lying about 15 miles east of Prince Albert.

Sub-section agreed to.

On subsection 38—Big River Forest reserve:

Mr. ROCHE: This is a new reserve, comprising 1,373 square miles northwest of Prince Albert.

Mr. OLIVER: This big reservation is a very large one. What is the idea in regard to it.

Mr. ROCHE: This is intended to form a water shed. The tract is a rolling plain to the east and southeast; to the west and southwest it is quite hilly. The elevation of the country ranges from 1,500 to 1,900 feet above sea level. The general slope of the country is to the north and northwest, it being the headwater of the Crooked river, Big river and Chitok river, which are branches of the Beaver river, one of the large tributaries of the Churchill river. Sloughs and muskegs are numerous. The soil is sandy. The timber is mostly aspen, spruce and jackpine, but balsam and tamarack are also found. The tract has suffered a great deal from fires. Reproduction is as a rule very good. There are no settlers within the proposed reserve. The forest survey was made by an expert of the Forest School of the University of Toronto.

Mr. McKAY: Has the hon. minister any amendments to propose to section 38? I notice there are some sections in the description given now that were drawn to my attention some time ago.

Mr. ROCHE: I think we eliminated those that the hon. gentleman has in mind.

Mr. McKAY: I notice that in lines 29 and 30 there are some sections included that were drawn to my attention, and also in line 38. The sections that I would like to have excluded are all the sections in township 54 and the south halves of township 55, ranges 7, 8 and 9. I notice these are included in the Bill I have before me.

Mr. ROCHE: I understood that the hon. gentleman had gone over this Bill with the superintendent, and that this section was arranged between them.

Mr. McKAY: At the time I went over the Bill we excluded those sections brought to my attention at the time. Since then there are other sections; and if I remember correctly, I wrote to the minister in regard to the matter.

Mr. ROCHE: The hon. member knows the country better than I do. If he will vouch for it that these are agricultural lands, I do not wish to include them.

Mr. McKAY: The information that I have received is to the effect that they are suitable for agriculture. I move:

That subsection 38 be amended by striking out the following words and figures where they occur in lines 29 and 30, all of the sections of township 54, range 9, not included in the Indian reserve No. 118.

Subsection, as amended, agreed to.

On subsection 39—Sturgeon Forest reserve:

Mr. OLIVER: Where is this?

Mr. ROCHE: This is a new reserve lying northwest of Prince Albert and immediately east of Sturgeon river. This tract covers the watershed between Churchill river on the north and the Saskatchewan river on the south, and is drained to the north by Big river and Red Deer river and to the south by Sturgeon river and Little Red Deer river.

Subsection agreed to.

On subsection 40—Pasquia Forest reserve:

Where is this reserve?

Mr. ROCHE: In central eastern Saskatchewan. The tract is elevated and broken, reaching an elevation of 2,000 feet, which is about 1,000 feet above the elevation of the surrounding country. Several large streams have their rise in this tract. The forest cover consists of white and black spruce also poplar and aspen. Some jackpine, larch and balsam fir also occur.

Mr. OLIVER: A very large area is it not?

Mr. ROCHE: Yes, a very important watershed.

Mr. OLIVER: From what I have heard of that country it is more desirable to get rid of the water than to conserve it. That is the great difficulty—there is too much water.

Subsection agreed to. Section 6 agreed to.

On section 7 :

Mr. WARNOCK: Before this section passes, I have been requested to discuss with the minister the grazing leases in the forest reserve, but if I could have an opportunity to discuss that subject on the Estimates, I should not need to take it up now.

Mr. ROCHE: That opportunity will be afforded.

Mr. WARNOCK: There is just one matter to which I wish to call attention. A good many years ago an Order in Council was passed prohibiting the use of sheep on an area from the international boundary on the south to High river on the north and west to range 27 or 28. It was passed at the instigation of some of the large ranchers of that country. I would like to know if that Order in Council is still in force, and whether the minister proposes to have it rescinded with regard to the forest reserves.

Mr. ROCHE: Is the area referred to within a forest reserve?

Mr. WARNOCK: Some of the forest reserves are within it; one that I have particularly in mind being the Porcupine reserve.

Mr. ROCHE: The Order in Council is still in force.

Mr. WARNOCK: I will discuss it on the Estimates.

Mr. OLIVER: To what locations does this section 7 apply? That is not clear from the Bill.

Mr. ROCHE: The Miskonlith reserve is in the province of British Columbia. It covers an area of two square miles. And paragraph 2 of section 7 is to correct the

description of the Rocky Mountains Forest reserve, which was incorrect through a clerical error.

Mr. OLIVER: What is the effect of it?

Mr. ROCHE: It does not affect any area.

Section agreed to.

Mr. OLIVER: Before the Bill is reported, I desire to ask the minister with regard to the reserve for military purposes in the province of Alberta—three townships south and the south branch. This was set apart of the Red Deer river, between the Red Deer and the South Saskatchewan. This was set apart some years ago for purposes in connection with the Militia Department. I understand that a lease has been granted of these three townships to some organization for some purpose connected with rearing and supplying horses for military use. If the matter has not been up before and the minister could give in a few words what the arrangement is, I should be glad. What I had in mind is this—that a number of these so-called forest reserves that are being set aside under this Act will be necessarily treated as grazing areas, and I presume under arrangements to be made from time to time. I should like to know just what has been done in regard to this one to which I have referred. Though not a forest reserve, it is a reservation for Government purposes and I suppose in this respect will be in much the same position as the forest reserves which we have just declared.

Mr. ROCHE: The matter is one concerning which I have not much personal knowledge. The area was set apart some years ago for the Militia Department, and therefore any lease that has been issued has been issued by that department and not by the Department of the Interior. I wish to explain an amendment which I propose to this Bill. I propose an amendment to the Bill to be known as section 5 (a). The effect of the section is to withdraw the south west quarter of section 6, township 44, range 8, west of the 4th meridian, from the Buffalo Park reserve. This is across the river from the rest of the reserve, has never been fenced in. It was given as a homestead entry and the man has qualified. This was recommended some years ago by Mr. McIntyre, then representative of Strathcona, but never formally recognized by Act of Parliament.

Amendment agreed to.

Bill as amended reported.

[Mr. Roche.]

On the motion for the third reading of the Bill:

Mr. OLIVER: The estimates for forestry have not yet been taken up?

Mr. ROCHE: No.

Mr. OLIVER: There are some matters I wish to discuss and I will take them up on those estimates.

Motion agreed to, and Bill read the third time and passed.

WINNIPEG JOINT TERMINALS.

On motion of Hon. J. D. Reid (acting Minister of Railways and Canals), Bill No. 181, respecting the entrance of the Grand Trunk Pacific Railway Comapny and the Canadian Northern Railway Company into their joint terminals at the city of Winnipeg, was read the second time and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1—agreement of April 10, 1911, confirmed:

Mr. OLIVER: In the absence of the leader of the Opposition and of the ex-Minister of Railways and Canals, I think that the acting Minister of Railways had better make an explanation of this Bill.

Mr. REID: In April, 1911, the Minister of Railways and Canals, the Grand Trunk Pacific Railway Company and the Canadian Northern Railway Company entered into an agreement whereby the Grand Trunk Pacific railway would have the right to use the terminals of the Canadian Northern railway in the city of Winnipeg. For some reason, no Bill was passed in the House confirming that agreement, and this Bill is introduced merely for that purpose. A schedule showing the terms of the agreement is printed with the Bill. As the hon. member for South Renfrew (Mr. Graham) who made this agreement, is not present this evening, I would suggest that the committee pass the Bill and allow it to stand for third reading and if there is anything wrong in the Bill the hon. member for South Renfrew and myself will take it up later.

Mr. LEMIEUX: Is there not a case before the Supreme Court at present in connection with this agreement?

Mr. REID: If I remember rightly, there is a case before the Exchequer Court as to the value of the land taken by the Grand Trunk Pacific Railway Company for termi-

nals, but that does not in any way affect this agreement.

On section 2—use of railway tracks confirmed notwithstanding encumbrances:

Mr. MACDONALD: Will my hon. friend explain what he apprehends that the effect of section 2 will be?

Mr. REID: The effect of this section is that the Grand Trunk Pacific railway is to continue to use the terminals, notwithstanding any foreclosure of bonds or mortgages, subject, of course, to the payment of the rental of $30,000 per annum, as set forth in the schedule.

Mr. MACDONALD: The object of this section is to provide that if there be foreclosure of mortgage securing the bonds of the Canadian Northern Railway Company, the lease will not be swept away by an order of the court providing for sale and possession subsequent to sale?

10 p.m.

Mr. REID: That is the object.

Mr. LEMIEUX: When may we expect a similar Bill with regard to the agreement between the Transcontinental railway and the other lines at Quebec?

Mr. REID: I do not know whether or not a Bill is necessary; at all events, negotiations are going on and the matter is, as I understand it, in good shape. As the hon. member knows, the matter has not come directly to my attention, but I will look it up and give him the information in a day or two.

Section agreed to.

Bill reported.

COLD STORAGE REGULATION.

On motion of Hon. Martin Burrell (Minister of Agriculture), Bill No. 113 to regulate Cold Storage Warehouses was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1—short title:

Mr. BURRELL: The intention of this Bill is to give statutory power to exercise what we may call reasonable and desirable control over the cold storage industry of the country in so far as it is connected with the food supply of the public. We thought it well to deal with it, if we deal with it at all, as a federal matter although it has been argued that it is more a matter of provincial concern. It has not been found to work very well in those States of the Union that have taken up the control of cold storage, and considering it more as a federal matter the Federal Government of the United States are now contemplating passing legislation in that direction. In the commerce connected with the food supplies of the whole country, cold storage, as every member of the House knows, is a factor of very recent importance, but of very extraordinary importance. I think possibly the best brief description of cold storage is this:

> Cold storage is essentially the application of scientific temperature control to the solution of an economic problem, namely the storage of the surplus of one season against the want of the next and of preventing the fluctuation of prices from below the cost of production at harvest to a point beyond the resources of the purse the remainder of the year.

As every one knows, the problem of the preservation of food from one season to another, or from a period of flush production to a period of scarce production is as old as life itself, and it is only by the artificial control of temperatures in recent years that the whole question of cold storage has come so prominently to the front, and has made it a matter of very special public interest. To use the words of one writer:

> Cold storage has enlarged the number of food products preservable in their original condition and created a new industry; it has largely removed the function of this class of food preservation from the scattered individual producers to large central establishments and thrown the business of accumulating and conserving surplus more fully into the hands of tradesmen. It has permitted the preservation of flesh foods in a raw state, which were never before so preservable; and it has so improved the quality of stored products whose current production never ceases entirely that in many cases the held goods cannot be distinguished from the fresh production.

I can only say for myself—and I think most members who have given this matter any consideration will agree with me—that the history and development of the whole cold storage movement is a great, if not, perhaps, an unmixed blessing. Like other businesses closely concerned with popular needs, it has its evils. There is a tendency, of course, to centralization and specialization, and it is partly, I think, because of this, and partly because of the increase in the cost of living in recent years, that there has been a good deal of criticism levelled at cold storage, chiefly along two lines: first, along the line of prices, it being assumed, in some quarters, that extortionate prices by cold storage men have led to an increase in the cost of living—and, secondly, largely on account of a misconception, criticism has been

levelled against the health side of cold storage. It was on account of a lot of this criticism in the United States that various states put through legislation, some of it, however, not working out very well. It was only as recently as 1911 that the first state law was enacted in relation to cold storage—in the state of Indiana, I think it was. At the present time about eleven states have cold storage legislation, but there is no federal legislation. In a natural season of production, if we could assume that there was no such thing as the preserving of food products, the man who produces food does it first for himself, and then for the rest of the community. When their needs are supplied naturally the prices come down, and he is going to cease producing any more until prices give him at least some little profit for himself. Then comes a slack season of production and prices go up. Finally there is a season of no production, when prices amount to almost famine levels for any of the particular articles which are not produced at all. One might ask what is the actual effect of cold storage within the last ten or fifteen years on our modern commercial life. Briefly, I think I may put it in this way: That it enables the carrying of food products from a season of flush production to a time of no production or a minimum production, and this has resulted in a lowering of prices, and also enables a greater production because the man who can produce for a relatively larger market is going to produce more heavily than ever before. I think it would be well within the mark to state in connection with the criticism of the high prices that cold storage men have exacted in this country, and in the United States, that on the whole prices have been lower for the whole year than they would have been if we had no cold storage at all. It has been said by some people that speculation has entered into this question, and that prices have been held up at an absolutely unreasonable height; but those who have given any study to the matter at all will find that although speculation has sometimes entered into it to a regrettable extent, taking one year with another the man who goes into the cold storage business after all, perhaps, gets only a moderate profit. In this connection I would like to read a line or two of the report of the commission that was appointed some time ago by the Chicago Association of Commerce, which practically bears out the report of the Massachusetts committee, which probably gave more study to this question than any other committee. The commissioners say:

> Exhaustive examination of the statistics compiled under the direction of your committee, and a comparison of these statistics with the facts obtained by the Department of Agriculture, after an exhaustive research demonstrates clearly that the prices of butter, eggs, poultry and fish have been more uniform during the year since cold storage has become a factor in the care of food products than before that period. These statistics also show that taking an average for a period of years, prices on the whole have been lower than during the years when cold storage was unknown.

Dr. H. E. Barnard, State Food and Drug Commissioner of Indiana, has said that this statement is in substantial agreement with the conclusions reached by the Massachusetts committee, and that it is undoubtedly an accurate gauge of the effect of cold storage upon the price of foodstuffs. A good deal of criticism has been levelled at cold storage in connection with its health phase. On this point I would like to quote from probably the greatest authority on the continent, Dr. Mary E. Pennington, who is chief of the United tates Food Research Laboratory. In the examination held recently she was asked this question:

> How does the change that takes place at the end of twelve months of cold storage, 10 degrees F., compare with the change that takes place in the same product after twenty-four hours' exposure under the same circumstances before refrigeration?
>
> Dr. Pennington: There would probably be a greater change in twenty-four hours if the temperature was from 65 degrees to 75 degrees than if the temperature was 10 degrees F. for twelve months.
>
> Mr. Littlefield: That is to say, the ordinary food product that is kept in the house, without being kept in a refrigerator, under ordinary circumstances would show more deterioration than the same food product kept in cold storage for twelve months?
>
> Dr. Pennington: If the atmospheric temperature should be over 60 degrees, it would —that is in respect to chickens.—We have at the expiration of twelve months (in storage at 10 degrees F.) a change which is fairly comparable with the change at the end of fifteen days at 32 degrees F., and with the change at the end of five and a half days in a good house refrigerator, and which is very much less than the change at the end of three days at a temperature at from 65 to 75 degrees.
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> Senator Commins: As to meat kept hard frozen for twelve months; would a chicken so kept and eaten at the end of twelve months be injurious to the health of the person who ate it?
>
> Dr. Pennington: I have eaten many of them and found them very palatable.

There has been a lot of discussion in regard to the effect of cold storage on eggs.

Dr. Pennington was asked by a member of the committee:

Will you be kind enough to say to the committee whether your results with reference to eggs are practically parallel with the results you have described in connection with poultry?

Dr. Pennington: The investigation or study of eggs has been practically along the same lines as the study of poultry. Eggs are more difficult to handle if anything and keep in good condition than poultry. Nature has set a limit on eggs herself. An egg ordinarily will not keep in good condition under refrigeration for more than ten months—between nine and ten months generally—and it must be an extra good egg that will hold in good condition for ten months. Eggs that are to be kept under refrigeration must be even more carefully selected than poultry which is to be kept hard frozen.

In other places she repeats that an egg will deteriorate more in twenty-four hours in a certain condition of temperature and humidity than in eight or nine months in cold storage. One other illustration I might give of the result in regard to fish because it has been stated that the effect of cold storage on fish is rather disastrous. The testimony of Dr. William J. Gies, Professor of Biological Chemistry, Columbia University, is interesting in this regard. He was asked:

Mr. Littlefield: Have you had occasion to examine fish that have been the subject of cold storage?

Dr. Gies: I have.

Mr. Littlefield: Please state to the committee what your experiments in that line have been?

Dr. Gies: Briefly stated, fish in cold storage for a year, blue fish for example, and fluke—when allowed to thaw in my office on an ordinary table at room temperature after 24 hours; (that is after the fish had softened) appeared to be practically identical with fresh fish of the same kind.

I am only giving these instances to show that there is a great deal of misconception about the effect of cold storage, from a health point of view, on food. The conclusion arrived at by practically all the authorities who have looked into this matter is that a vastly greater effect is to be attributed to the condition of the food when it goes into cold storage than the length of time in which it stays in cold storage.

As to the legislation on the subject, there are eleven states of the union which have acts on their statute books, but as these acts have only been in existence for the past two and a-half years there has not been time to see how they have worked out. In Pennsylvania they have a law which has been very much quoted and it is not at all popular, not only with a great many of the fruit producers and handlers but even with a good many portions of the public. In Massachusetts probably the law has worked out more satisfactorily, and I can give the committee roughly the lines upon which these cold storage bills run. We recently sent our cold storage commissioner, Mr. Ruddick, down to Boston, to Pennsylvania and to New York to to get into contact with the people connected with the operation of the cold storage laws and study them as closely as he could, to talk with the leading people interested in cold storage matters and to obtain such information as he could for the benefit of any legislation which might be brought forward here. At the present time in Canada we have about forty-six public cold storages, twenty-seven of which have received subsidies, or are at present receiving them from the Government; that is thirty per cent on the cost of construction. In this country there are something like fifty private cold storage establishments, abattoirs and other places of that kind. As nearly as I can learn the total cold storage capacity in Canada would be about 18,000,000 to 20,000,000 cubic feet, a very small amount when it is realized that in the city of Boston alone they have one company which is operating about 10,000,000 cubic feet of cold storage. As far as the actual quantity of food products going into cold storage both here and in the United States is concerned, I think that probably it would not amount to more than eight or ten per cent. As far as our own country goes, of course, the whole cold storage system is comparatively in the very beginning of its development. We have thought, therefore, that in this legislation it would be better not to fix any arbitrary limit of time, or to embody in the legislation some of the details that have been worked out in the state legislation across the line because they are continually altering their laws as they are found to be unsatisfactory. The whole thing is in an experimental stage and we thought that it would be better to ask the House to pass this Bill in such shape as to give power, by regulation, to deal with all the questions practically that have been dealt with in most of the legislation passed in the various states. I shall take the legislation in the States of Massachusetts and Pennsylvania as examples. In Pennsylvania they have an arbitrary time limit fixed during which food products may be kept in cold storage. It is provided that beef may be kept four months; pork, sheep, lamb, six months;

veal, three months; fowl, drawn, five months, undrawn, ten months; eggs, eight months; butter, nine months; fish, nine months. There are also certain regulations in regard to marking. The food or the container is to be marked with the date of receipt and withdrawal. The sale of food kept in cold storage outside of the state is prohibited if held for more than the time limit or unless marked as provided. Quarterly reports to the dairy and food commissioner are provided for and more frequently if required by such officer. In Massachusetts the law was approved on May 27 and it became effective on September 1, 1912. It includes fresh meat and fresh meat products, fresh fish, poultry, eggs and butter. There is a time limit of tmelve months which may be extended by the state board of health if the foods are still in good condition. Articles of food, except fish, or container, are to be marked with the date of receipt. Reports are to be made quarterly to the state board of health or more frequently if the board requires.

In various states they require from three to four reports a year to a yearly report. In this Bill we have provided, under section 4, that the regulations will deal with all these questions including the question of making returns to the Government to show exactly what is in cold storage. I think that, without wearying the committee any more as to the general lines upon which the Bill runs, I will leave the committee to take it up clause by clause.

Mr. ROBB: Would the minister explain how he will control importations ex cold storage from other countries?

Mr. BURRELL: We have not worked out that feature, and I cannot say just now exactly how the United States is dealing with that.

Mr. ROBB: The minister proposes to fix a time limit on cold storage in Canada, but supposing stuff had been in cold storage in Massachusetts for eight months and was then shipped to Canada, how is he going to help that?

Mr. BURRELL: I am not definitely proposing that we should exercise the power now to impose a time limit, and I am not sure it would be wise to do so with our present knowledge. In the Bill we are reserving the power to fix a time limit if our experience should justify the department in doing so. As to other stuff coming from cold storage to Canada, I presume that would be dealt with under the inspection of food.

Mr. OLIVER: The certificate given by the minister to cold storage and its operation would rather lead to the conclusion that there was no necessity for this Bill. Cold storage as carried on at present, as I would gather from the remarks of the minister, is altogether a benevolent and generally a beneficent institution. That being the case there does not seem to be any serious necessity for its regulation. I think the majority of the House will believe that notwithstanding the good opinion the minister has of cold storage, the principle of cold storage and its operation, its regulation by the authority of Parliament is entirely desirable. The principle which the minister announces as being the principle of cold storage, namely, that by this means the surplus of one season can be made to supply the scarcity of the following season to the benefit of the consumer and producer in both seasons, is a beautiful theory, but like many other theories it does not work out in practice. As a matter of fact, everybody believed when cold storage was begun that it was going to work exactly in the way the minister suggested, namely, that the producer was going to get more and the consumer was going to pay less, but after the experience of several years the general public have come to the conclusion that the way cold storage works out is that the consumer pays more and the producer gets less. It is generally believed now that the policy of holding perishable food products from season to season enables the dealer on a large scale in these products, who has cold storage facilities, to control the market both as to purchase and sale, as he could not do unless he had the facilities of cold storage. It is believed that as a matter of fact, having that control of the market, he uses the control to depress unduly the price to the producer by reason of his always having an available surplus on hand, and on the other hand to unduly enhance the cost to the consumer because he can always hold back the supply without it being destroyed by process of time. It is because of this condition, the very opposite of the theory which the minister places before the House, that regulation under Government authority becomes a necessity. While I do not agree with the minister's premises I do agree with his conclusion.

But while we want governmental regulation we want that regulation on the authority and with the knowledge of Parliament, as a

means by which the public is aware of what is being done for its benefit. The minister has taken authority to do as he pleases in regard to the regulation of cold storage; in regard to the regulation of the supply and demand of a large percentage of the food of the people, without reference to any authority except his own will and that of his colleagues in the Cabinet. That is a fairly large order and for my own part I do not think it is an order that should be filled. I think that in all fairness, the Government if satisfied that regulation of such an important department of business and of life is necessary, should be prepared to inform the public through the medium of Parliament how far they propose to go in that regulation. The fact still remains that cold storage ought to be a public benefit, and it is by means of legislation that we hope to secure that benefit to the public that we do not secure at the present time. Before we give authority to the minister, we would like to know how far the interests of the public are to be protected, if they are to be protected; how far the present conditions of monopoly are to be affected; whether they are to be perpetuated, or whether the interests of the public are to be left in the condition they are in to-day. It is not a small matter; it is a very great matter, and I and others think that before the Government ask for such wide authority they should be in a position to inform the House to what extent they expect to exercise that authority, and in fact to, so far as possible, take authority direct from Parliament so that the public would know how far they are being protected and how far they are not. I think legislation on the subject is entirely desirable, but I think it is altogether too much in line with about ninety-nine per cent of the legislation brought down by this Government since it took office; that is to say, legislation giving authority to govern by Order in Council. That is necessary at times, but I am one to say that I think we have had really too much of it at the hands of this Government, and I regret that this is another example.

Mr. A. A. McLEAN: Will this Bill cover the cold storage of meat?

Mr. BURRELL: Yes, it covers all cold storage.

Mr. McLEAN: There are regulations now providing that an inspector shall be in every cold storage warehouse where meats are put in cold storage. Is it the purpose of this Bill that a regulation shall be made that there shall be a Government inspector in every cold storage warehouse?

If so, I would suggest to the minister that the certificate of the inspector should be prima facie evidence that the product was fit for food when it entered that warehouse. Otherwise the burden of proof would be on the party who put the goods into storage and the goods might not be put into cold storage at all on receipt and might be spoiled before being put into cold storage. The consequence would be that, if the goods were spoiled, the burden of proof would be on the man who put them in. He would have no evidence at all; all the evidence would be in the hands of the cold storage warehouse. If he had a suit, if the goods were spoiled through the fault of the cold storage warehouse, he would have to call as witness a man in charge of that warehouse, and probably the man who handled the goods when they went in could not be found. Therefore, I would suggest—and I think this is a provision that is in the cold storage bills in other places, especially in the United States—that a certificate of the Government inspector, where there is an inspector in a warehouse in this country, should be prima facie evidence that the goods were as he certified that they were when they went in, that is fit for human food.

Mr. A. DeWITT FOSTER: I do not rise to make any extended remarks, but the subject under consideration is one which is of peculiar interest. I apprehend that we are considering question 4?

The CHAIRMAN: We are on section 3.

Mr. FOSTER: (reading):

3. The Governor in Council may make such regulation as he deems necessary or expedient, to provide for a supervision of all cold storage warehouses.

4. Such regulations may provide,—

(a) for the licensing of all cold storage warehouses;

(b) for the inspection of all cold storage warehouses;

(c) for a system of periodic and other reports by owners of cold storage warehouses showing the quantities in storage of the several articles of food.

In regard to that, it appears to me that the report made by the owners should be a report not only as to the quantities in storage of the several articles of food, but as to the time they are in cold storage. It seems to me that the time articles of food are kept in cold storage is of paramount importance to the consuming public of this country. I notice that the minister made reference in his remarks to eggs being kept

ten months in cold storage. Personally I am not an expert as to how long an egg should be kept in cold storage; but from some little experience I have had with eggs that have been in cold storage for five or six months, I would say that a period of ten months was absolutely too long. In support of that contention I propose to give the House some information elicited last fall during an investigation into the high cost of articles of food by a committee appointed by the United States Government, which sat in the city of New York during the month of November. At this investigation some very startling evidence was brought to light as to the method and management and the result of cold storage systems operated in the United States. It seems to me that what is true of large cities in the United States may be equally true of cities in Canada where cold storage has been adopted or put into force to the same degree. The committee sat not only in New York but in other large cities of the United States, and the conditions they found there were similar. At the possible expense of wearying the House, I should like to put on 'Hansard' a few of the findings of that committee during their session in New York.

About that time one of the leading newspapers took up the question and showed it up to the public in a very remarkable manner. Demonstration stations were opened in various parts of the cities after the results of the investigation were brought to light, so that eggs that had formerly been selling on the market for 45, 50 and 60 cents per dozen were actually placed on the market at these demonstration stations at the price of thirty-two cents per dozen. In discussions which I had with egg dealers and other gentlemen closely connected with this business, I was informed, much to my surprise, that what had been brought to light at that investigation was going on and had been going on for a great number of years. One of the leading newspapers, the Globe, came out on November 2, as follows—I will read just a quotation or two:

> Everybody in New York now knows that the public is being robbed by the egg gamblers, but everybody does not know that the State of New York has conspired to help the gamblers in their cold-blooded conspiracy against public health and the public pocketbook. The Globe proposes through this demonstration station at the corner of 8th avenue and 121st street to make the whole scheme of egg trickery, egg fraud and egg corruption so transparent that the authorities, who now say they never realized what was going on, will no longer have any excuses for inaction, and that the people may have sufficient facts within their hands to enable them to give themselves the protection which they are now denied by the national, state and city governments. The eggs which will be sold to-morrow in the Globe demonstration station at 32 cents per dozen are nothing more nor less than storage eggs. There are no 'fresh eggs' in New York.

According to the Globe there were no fresh eggs in New York on November 2. That seems to be a startling thing in itself. (Reading):

> All the eggs sold in this city at the present time are known to the trade as 'western fresh,' 'fresh held' and 'storage.' Western fresh eggs may be from a month to three months old. Fresh held are between four and six months old. Storage eggs are between five and eight months old.

So that when we come to consider the labelling of eggs for cold storage in Canada, I would respectfully draw to the attention of the minister that he pay particular attention to the framing of his regulations in that regard. (Reading):

> One year ago we had a law that obliged the retailer to mark all 'storage' eggs for just what they were. The people were eating storage eggs then just as they are eating them now, but they did not know the facts then as they do now. Therefore when they saw the word 'storage' on the egg, they refused to buy it. At least this is what the egg gamblers, who held the eggs in storage, said to the New York Legislature, and the New York Legislature believed the story and at once repealed the law so that the retailer could label his storage eggs with a lie and call them 'fresh.' Under this fraudulent 'fresh' label the public is content to pay as high as 55 cents or 60 cents per dozen for the same eggs for which it would not pay 35 cents per dozen if they sold under their correct name. So say the egg gamblers, whose influence was so powerful with New York politicians that quietly and obligingly the politicians changed the law.
>
> Back to the demonstration station eggs, everyone of which is guaranteed to be a good egg of the class known as 'straight candled storage.'

I point out these words as the various degrees of eggs placed upon the market and eaten by the consumer. (Reading):

> All the 'weak' eggs, 'very weak' eggs, 'spots,' and 'cracks' have been candled out of these 32 cent storage eggs. Each case contains an average of from twenty to twenty-two dozen fancy and from eight to ten dozen fancy seconds. These are the same eggs that are now selling all over New York city at 40. 42, 45, 50 and 55 cents per dozen under labels that deceive.
>
> As a matter of fact, they should sell to the public for much less than 32 cents per dozen. The Globe does not own them, however, and, therefore, cannot control the prices. These eggs were put away in storage in the month of June and at that time cost between 18 and 19 cents a dozen. Storage charges cost 40 cents per case, interest 22 cents per case, cartage 3 cents,

insurance 6 cents, which bring up the extra charges 71 cents per case of thirty dozen each.

At 19 cents per dozen, the outside price, a case of thirty dozen eggs when it went into storage cost $5.70.

Plus the extra charges of 71 cents, these eggs now represent an investment of $6.41 per case of thirty dozen, or 21 1-3 cents per dozen. This figure, 21 1-3 cents per dozen, represents the actual money invested in each dozen of eggs which will be sold to-morrow at the Globe's demonstration station at 32 cents per dozen.

On November 1 there were 1,800,000 cases of storage eggs in New York, Chicago, Philadelphia, Boston, and Jersey city, representing an investment of $6.41 per case or $11,538,000. The gamblers who put these eggs away in the public coolers are now releasing them to the jobber at prices ranging from 29 cents to 40 cents per dozen. At a low estimate. The Globe takes the gambler's average price to the jobber at 30 cents per dozen, or $9 per case.

At this price the gambler realizes on the eggs held by him November 1, $16,200,000, or a profit of nearly $5,000,000. The jobber in selling these eggs to the retailer makes another profit of 2, 3, and 4 cents per dozen. At 2 cents per dozen his profit on a case is 60 cents. On 1,800,000 cases his profit is more than $1,000,000. The eggs which will be sold to-morrow at the Globe demonstration station at 32 cents per dozen were purchased from an egg gambler at 29 cents. Allowing the jobber a cent a dozen as his profit and also allowing him the loss on rejected eggs not good enough to sell at the demonstration station, the figure of 32 cents per dozen is arrived at.

At this price for good eggs the public allows a profit to those who have candled their eggs since November 1 of $5,742,000, which is exactly 50 per cent on the investment, quite a handsome figure. However, at 32 cents per dozen the public cannot buy good eggs in the city of New York. As a matter of fact, many of the eggs sold at 45, 50 and 55 cents are not good eggs.

If we take the average retail price of eggs on sale to-day in New York at 45 cents per dozen, we have a retail value of $13.50 per case. At this price the eggs, which, with all over head charges figured into the cost, represent an investment of $11,538,000 now have a value of $24,300,000, showing a profit on one of the most necessary and vital articles of our daily food supply of over one hundred per cent.

In view of the facts elicited by that committee, I am bound to say that I agree absolutely with the hon. member for Edmonton (Mr. Oliver). While I have no fear in regard to trusting the Minister of Agriculture to draft regulations, and while I do not object to the Governor in Council making such regulations, I do feel that if Canada is to branch out into cold storage, as this Bill provides, the minister must make absolutely stringent regulations for the control of these articles of food; for in the future of this country the great difficulty we are going to have, and that we have to-day, is perhaps not so much the production of a food supply, but the distribution of that food supply, so as to get it from the producer to the consumer at the lowest possible cost to the consumer, eliminating the various profits that are made to which profits the cold-storage of the United States and of other countries, and I dare say of this country, will contribute a very large proportion. It is for that reason that I have risen to say that I hope that in any regulations enacted provision will be made for the owners to make a report with regard to the time these eggs are to be in cold storage. Because after they are in there for several months, they are sorted out and graded under different names. Some are a shade better than others. And, while there is a fine under the existing laws of New York for the selling of eggs of an inferior quality, and while, during the investigation of this committee, three men were actually put in jail for that offence, yet safeguards must be placed around the labelling of these eggs and the time they are in cold-storage, in order to preserve the best interest of the consuming public of Canada. And if the minister had done no more to assist consumer and producer than the production of this measure—and he has done a great deal more, as every one will admit—he will have conferred upon the people of this country one of the greatest benefits that have ever been enacted by this House or that could have been conferred upon the people, because it means that he will have the control of cold storage absolutely within his own power.

Mr. CARROLL: The Bill before the House is a rather important one from any point of view, but I am forced to say is rather a makeshift Bill. When cold storage was first made a business in this country, the majority of the consumers in Canada were led to believe that it was going to be a blessing, as was pointed out by the hon. member for Edmonton. But as time went on, these cold-storage institutions, especially in our large cities, took upon themselves absolute monopoly over all the products they could handle that were necessary for the people of those cities, and as a distributing centre for the smaller towns and cities. In the large cities to-day of Montreal, Toronto, Winnipeg, Vancouver and others, these cold storage institutions will buy up foodstuffs such as meats, cheese, and so on when they are cheap, and will hold them there until other supplies have run out, and then they will take their own good time to give these articles to the public as fresh articles at greatly enhanced prices. I

would like to point out that the hon. member for Selkirk (Mr. Bradbury) introduced into this House a Bill which to my mind was almost a masterpiece of the legislation of the kind we should have in this country for the regulation of cold storage. There is very little use in the minister or the Government taking power to pass regulations governing this thing. The minister tells us, as I understand him, that there is no great necessity at present, and he does not see that there will be any in the near future, for placing a time limit for articles kept in cold storage. I say that is the most important point the minister must grapple with. I say that this feature which he thinks will not be needed now or in the near future is one of the most necessary features of legislation for the regulation of cold storage.

Articles are sent out of cold storage and sold to the unsuspecting public as fresh products. I say that every article put into cold storage should be handled in such a way that the consumer of that article would know exactly what he is buying. He should know, in the first place, whether or not the article is a cold storage article, and he should know, in the second place, how long it has been in cold storage. The question asked by the hon. member for Huntingdon is a very important one; I notice that it is covered by section 4 of the Bill introduced in this House by the hon. member for Selkirk, which says:

> No food which has been placed in cold storage and has been removed therefrom for the purpose of sale shall be returned into cold storage.

The Bill brought down by the Minister of Agriculture makes absolutely no attempt to deal with that phase of the question. For example, articles which have been in cold storage in New York for seven, eight, nine or ten months may be sent to Canada and placed in cold storage here for a similar or a longer period of time. I think that there should be added to this Bill a section which would prohibit cold storage people in any other country or in any other part of Canada from removing their goods from one cold storage warehouse to another with any other purpose in view than that of immediate sale and immediate distribution.

Another provision which, to my mind, should be in this Bill, is that which is embodied in section 9 of the Bill introduced by the hon. member for Selkirk. It is as follows:

> All food taken out of cold storage and offered for sale shall be marked with a card upon which shall be plainly printed in red block letters not less than two inches long, upon a white ground, the words 'cold storage goods.'

That would be notice to the public that instead of buying what they might suppose to be fresh goods, they were actually buying cold storage goods. I say that the Bill as introduced by the hon. Minister of Agriculture having regard to the fact that he has told us that at the present stage there is no necessity for a time limit and that we may, therefore, presume that no regulations will be made by the department to that end—is an absolutely bald Bill, and I do not think it should be allowed to pass unless there are incorporated in it some of the provisions which are contained in the Bill presented to the House by the hon. member for Selkirk. There is no doubt that if the Department of Agriculture will at the present stage embody in the present Bill the provisions contained in Bill 6, the proposed legislation will have some effect. In my humble opinion, the high cost of living in our large industrial centres to-day is traceable largely to cold storage in this country. The New York commission referred to by the hon. member for Kings has come to that conclusion. By putting legislation on our statute books which would force the cold storage institutions in this country to break up their trusts, monopolies, and combines in respect of the necessaries of life, the minister would be giving relief to the consumers and incidentally not hurting the producers. While cold storage is of some benefit to the producers of foodstuffs, it is not the blessing to them that we were led to believe it would be when cold storage was given an impetus in this country by legislation some years ago. There can be no political controversy with regard to this piece of legislation. There are hon. gentlemen on both sides of this House who will think that the hon. minister's way of regulating cold storage warehouse is the better way, but I am sure that persons who have given attention and study to this subject will invariably tell the minister that instead of making regulations five, six and seven months hence, we should have upon our statute books at the close of the present session such legislation as will contain every possible regulation having in view the interests of the people. The most stringent legislation with regard to the time during which goods may be kept in cold storage warehouses should be made. I think the minister would be well advised if he would revise his legislation and, instead of making regulations by Order in Council, regulate this

11 p.m.

matter by provisions incorporated in this Bill and passed by this Parliament. I do not think that the minister, even in his own department, can get more information in the matter of cold storage than he can get right here in the Chamber of the Commons. Here we have gentlemen from all over the country—from the Maritime provinces, from central Canada and from the West. We are sent here to legislate, not to give power to the Government or to a member of a Government to make regulations. There are here members who have given this matter special consideration; members from all parts of Canada who know the conditions, and I am sure that after a thorough discussion of this Bill in the House the minister would come to the conclusion to pass a Bill not giving him power to make regulations but putting upon the statute book the regulations proposed by the hon. member for Selkirk.

Mr. NESBITT: Does the minister propose to use the inspectors that he has now, or will he appoint new inspectors for the purpose of this legislation?

Mr. BURRELL: It would depend entirely upon how far we went as far as regulations are concerned. I entirely agree with the view of the hon. member for South Cape Breton that this is not a political matter; we are all engaged in trying to do something towards effecting reasonable control and supervision of cold storage warehouses, which have never been subject to such supervision or control. But, with all due deference to the hon. member for Edmonton and to the hon. gentleman who has just taken his seat, I must say that I do not entirely agree with all that they have said. Our own cold storage commissioner has given this subject more attention than probably any member of this House. It is his particular business; he has had made a careful study of the question, and has looked into the matter at first hand as it exists in the United States, and in view of the experiences that they had in the United States and the experience we had in our own department, we came to the deliberate conclusion that it would be at least a step in advance to warn all cold storage warehouses that we were going to demand from them a proper report of all their proceedings, and a right to inspect the condition of their warehouses in order to exercise some control over the stuff that went in and came out. That, in itself, would mean something; and I think it would be better to undertake that initial step and take power to make further regulations than, in the light of our present knowledge, to embody in a Bill things that might prove most unsatisfactory, very unworkable, and very cumbrous, and that would have to be dealt with over again. I believe that it is better to go slowly. I admit that it may not be always good policy to legislate by regulation. I quite appreciate that point of view, although I think my hon. friends opposite will agree that there has been a good deal of legislation for a great many years in which power has been taken to do things by regulation. That practice is not confined to this Government, and I do not suppose that any hon. member will assert that it is. I quite agree that something ought to be done, and I think it would be as foolish to do nothing as to go too far. I would ask that this thing be given a trial. What I wanted to do was to refer this matter to the Agricultural Committee, who could examine witnesses, take evidence, and thresh the whole thing out. If the House comes to the conclusion that it would be better to do that—better to defer action until the matter has been thoroughly threshed out—I would prefer doing that than, in the light of my present knowledge, embodying in actual legislation at the present time a lot of the suggestions that have been made. As far as the Government is concerned, we have no desire except to do something towards exercising proper supervision and control. After all, I think that a great many cold storage warehouses in the country are trying to do the square thing by the public, and I think that on the whole our system works out better than that of the United States, because although it is true that there are private institutions which may perhaps be engaged in a certain line of work that may be called monopoly, at the same time we have a great number of cold storage warehouses of smaller capacity that exercise a reasonable check on them. Our system, initiated by the late Government, of subsidizing a number of cold storage firms all over the country with a reasonable check on rates, has been spoken of in the highest terms by the United States authorities as being a step in the right direction, and as being a set off against monopolies controlling the cold storage business. My desire as minister, and the desire of the Government, is to take power, which we will exercise as fast as we can in the light of fuller knowledge,

and to demand, now, a thorough accounting and reporting from cold storage warehouses, and to have such powers of inspection that we can make them toe the mark and see that all the stuff comes in and goes out properly. Some such step, we think, is in the public interest.

Mr. BRADBURY: I am afraid I cannot altogether agree with the minister when he practically points out that the cold storage system of Canada and the United States has done so much good, and very little harm. I am one that believes the cold storage system is a blessing, if properly managed. If not properly controlled, I believe it may be one of the greatest curses ever inaugurated. From my own observations—and I have given a little time to the study of this question—I am satisfied that something ought to be done to control the cold storage systems of Canada. There is no question in my mind that under the present system—with no regulations at all—the cold storage systems of Canada can, and are storing away food products in the seasons of the year when they are flush, and holding them until the supply is scarce, and then exacting undue profits from the masses of the people of this country. I am satisfied of that. Take the present time for instance. April and May is the season when the eggs for the whole year are stored. Now the mere fact that the cold storage systems of the United States and Canada are in the market purchasing those eggs by the million, enchances the price of eggs at the present time to the consumers of this country. The eggs are placed in cold storage and carried over till next winter when we are asked to pay double and sometimes treble the price that the cold storage people are paying for the eggs at the present time. The eggs were bought at the minimum price in April and May, although the price at that time was raised to the consumer because, if the cold storage people were not in the market for them, the eggs could be bought much cheaper.

Mr. NESBITT: Does my hon. friend not think that the price would be higher six months from now, if there were no cold storage system?

Mr. BRADBURY: No, I do not think the price would be higher, and I will tell you why. The consumer would be laying away the eggs as he used to in the old days, putting them away just as the cold storage people are doing now. They would not be cold storage eggs, but stored eggs, which would be practically just as good for the average housekeeper.

Mr. NESBITT: Do the cold storage people prohibit that now?

Mr. BRADBURY: No, they do not; but the fact of the cold storage people being in the market has raised the price of eggs at this season of the year.

Mr. NESBITT: What about the producer? I am one of them.

Mr. BRADBURY: That is all right; the producer is getting the benefit; but surely the consumer ought to be considered. The same thing applies to all food products; to meats, to fish, and everything that is put away in cold storage. I claim that the Bill that should be enacted as law in this country should make some provision for a time limit. The minister's Bill takes powers to regulate, and no doubt if the regulations limit the time of cold storage properly that would cover the necessities of the case, but everything depends on what those regulations are going to be. I have made a little attempt at framing a Bill for this purpose. I introduced a Bill in the early part of the session—

Mr. CARVELL: A very good one.

Mr. BRADBURY: —but it did not get very far. I have given considerable attention to that Bill, and I believe it covers the essential points in a cold storage Bill for Canada. Clause 3 of my Bill was designed to give the minister control of the cold storage business of Canada; to license every firm in Canada doing a cold storage business; that no building could be utilized for cold storage purposes until it had been licensed by the Department of Agriculture. At the present time, there is absolutely no control. Any one can set up in the cold storage business and take in eggs, meat, and poultry, whether the cold storage house is sanitary or otherwise. If we are going to have a system of cold storage in Canada, I claim that it should be controlled absolutely by this Government, and we have a precedent for that. Eleven or twelve states on the other side of the line have been devoting a good deal of time in the last four or five years to legislation to control the cold storage systems of the United States. There has been a great deal done and there has been a great deal of money expended in the way of investigation. Many state committees, and some federal committees, have investigated this question thoroughly and we have a vast amount of evidence from all these committees which tends to

guide us in any legislation that we may pass here. California has a cold storage system by license, also Indiana, Iowa, Kansas, Louisiana, Massachusetts, Nebraska, New Jersey, New York and North Dakota. In all these states there is legislation under which no cold storage system can exist except by procuring a license from the Government.

Mr. BURRELL: They will be licensed here.

Mr. BRADBURY: I am assured by the minister that they will be licensed here. That is an important point. Clause 4 of the Bill that I had before the House was designed to protect the health of the consumer. It is an established fact that ptomaine poisoning may occur from the eating of meats, poultry and fish, not from the fact that they have been held in cold storage, but from the fact that it had been exposed to the atmosphere, thawed or partially thawed and then put back into cold storage and refrozen. All the authorities on hygiene who have studied this question agree that food should not be returned to cold storage after being exposed for sale in the open air. In nearly every one of the states to which I have referred it was enacted that no food products, taken out of cold storage and offered for sale, should be returned to cold storage again. All the evidence that I have under my hand, including that of Dr. Wiley, the celebrated American authority on this question, proves beyond doubt that many serious cases of ptomaine poisoning have been occasioned by the thawing out of poultry which has been taken out of cold storage, exposed in the butcher store or in the green-grocer's store for from one to three days, put back into cold storage, refrozen and offered for sale again. I provided in the Bill I had before the House that it should be illegal for a storekeeper to expose poultry or meats for sale which had been taken out of cold storage and then to place these products back in cold storage and have them refrozen.

Clause 5 of my Bill was designed for the purpose of informing the public as to how long meat and other food products had been held in cold storage. That is a clause that is contained in the Act of every state to which I have referred. It is provided that every product offered for sale should be labelled 'cold storage food,' 'cold storage eggs,' or 'cold storage meat,' so that the consumer, when he walks into the store and purchases any article, will know what he is buying. My hon. friend from Kings, Nova Scotia (Mr. A. DeWitt Foster), has given us some information as to the effect this has had in New York. Evidence given before the committee of the United States Senate shows that cold storage eggs are sold repeatedly as fresh eggs in New York city. It is done right here in Ottawa and in every city in Canada. People imagine that they are buying fresh eggs when they are paying from 50 to 75 cents per dozen, but as a matter of fact they are buying cold storage eggs. It is the duty of the Government to have these eggs labelled when they come out of cold storage. Nobody objects to eating a cold storage egg, if good, as the cold storage egg may be just as good as the fresh egg, but we do object to paying the price of fresh eggs when we are getting cold storage eggs. It would be a very simple thing to have a law passed that would compel those who deal in eggs or meat to have these articles labelled as being cold storage products.

Clause 6 was designed to protect the consumer in two ways: The first was to make it impossible for large cold storage plants to corner any sort of food products and by doing so increase the cost to the consumer. The second was to ensure as far as possible that the product mentioned to be sold was in prime condition. This, Mr. Chairman, is a very important clause. If cold storage operators are allowed to hold eggs for an indefinite time the effect is liable to be very disastrous to the consumer. We have records showing that eggs have been held as long as three years and then sold to the consumer. We have evidence here, taken by the committee to which I have referred, demonstrating clearly that after three weeks eggs begin to deteriorate. If the egg is put into the cold storage perfectly fresh and the temperature is maintained regularly at from 32 to 34 F., they say that an egg will keep for six months perfectly fresh but we know by experience that we eat eggs in Ottawa that have been in cold storage from eight to twelve months and sometimes longer. The egg loses its value as a food product. The same applies to meat. You can hold meat, if it is put into a sanitary cold storage in prime condition, properly frozen and kept frozen, for a considerable time, but no one can tell me that meat does not deteriorate after it has been frozen. Take a quarter of beef out of cold storage and expose it to the atmosphere and the deterioration is so rapid that it soon becomes unfit to eat. But that is not the worst feature of it to my mind. I believe

that meat can be held for a year and still be very good for food, but I do not believe that we ought to allow the cold storage system to place large quantities of food products in storage and hold them an unreasonable time. My idea is that a fair, reasonable limit should be placed upon meat and everything we consume to protect the consumer. There is no question but that the cold storage system has time after time cornered the market in food products. The mere fact that we have a cold storage enables those who deal in meat and all kinds of food products to make very large profits. Two or three years ago the Manitoba Government had reason to make some investigations into the abattoir system in the city of Winnipeg and the evidence that was adduced proved conclusively that the men who controlled the great abattoir were making unreasonable profits. I have some evidence here that I think would be interesting. An animal weighing 1,200 pounds will yield about sixty per cent of beef, and at the current price in Ontario of $8 per hundred the farmer would get about $96 for the animal, but when it is retailed the consumer pays about $155, netting the abattoir man about $59 profit. It is not fair to charge all this to the abattoir man, because the retail profit comes in, but in many of our great cities, for instance in Ottawa, these abattoir people have cold storage systems and they practically control the retail trade, having stores all over the city, and they get nearly ever dollar of profit out of that animal. I venture to say that the farmer who raised that animal did not make one-half of what the abattoir man made out of it. He was enabled to do this on account of the fact that he could place that meat in cold storage and hold it there until he got his price. In view of these facts a cold storage enactment should be placed on the statute books, to limit in some way the length of time cold storage houses would be allowed to store different kinds of food products. The Bill we are discussing is certainly a step in the right direction, but I do not think it goes far enough. However, I am willing to give the measure a chance as I am anxious to see something done along these lines. If the law does not work out satisfactorily, it will be because the department does not introduce the proper regulations and this measure will therefore place full responsibility upon the shoulders of the Government. I would have liked to see a Bill passed by this House that would contain certain operative clauses, but if the minister thinks he can accomplish the object in a better way by the measure now before us, I will give it my support because I want to see something done. I am sorry the minister does not see his way clear to adopt the principles embodied in the Bill which I had the honour to submit to the House. I do not claim that my Bill is perfect, but I do believe it would have given better results than the present Bill.

There is another phase of this question I should like to deal with for a moment. The people of Canada are bonusing the building of cold storage systems in different parts of the country, and it is very questionable to my mind whether that is the best way to accomplish the object we are aiming at of protecting the consumer. I think every one who has given this question any consideration must admit that if we are going to help the consumer we ought to try to bring the consumer and the producer as closely together as possible and eliminate the middleman to whatever extent we can. I believe that we can accomplish very much along this line if we could establish a system of small cold storage houses in the different counties, so that the farmers could have the use of these cold storage plants to care for their products. Every one who knows anything about the handling of eggs knows that if you want to get a real fresh egg it should be taken out of the nest and placed in cold storage, not longer than three days after the egg has been laid. Of course, as the weather grows warm, it would be necessary to place it in the cooling room much sooner than that. If we had these small cold storage plants in each county the farmers would be able to place their eggs in them within two or three days after they are taken out of the nest, and we would save a large number of eggs that at present are lost.

Mr. NESBITT: How would you pay for that cold storage?

Mr. BRADBURY: I would propose that the Government should pay a large proportion of the cost, and that the producers in the different localities should pay the balance. We are bonusing now large cold storage warehouses to the extent of twenty per cent, and we could afford I believe, to bonus these smaller places to the extent of 50 per cent, and that it would be in the interest of the consumers and producers alike. The producer, I believe, will obtain a better price for his products and the con-

sumer would obtain these products at a less price than he is paying to-day, because there would be eliminated the cold storage middlemen, who take these eggs and hold them for months, and then ask and get a bigger price than they ought to. It seems to me that something along this line should be done by the Government.

The high cost of living is a live question throughout the country, and we have had it discussed in this House. It is well known that there is no country in the world that has a better supply of fresh fish than we have. Canada is one of the greatest fish-producing countries in the world, and yet you find that the people of Canada are paying to-day more for their fish than are the people of any other country similarly situated. On the Atlantic coast we have one of the greatest fisheries in the world, and on the Pacific coast we have enormously productive halibut grounds. We have allowed these halibut grounds to be exploited by the Americans. Last year 26,000,000 pounds of that fish were shipped from the Pacific coast, principally to the United States. I claim that, through a proper cold storage system, controlled by the Government, we ought to be able to in some way control a fair proportion of the halibut for sale in Canadian cities at a reasonable price, and the same would apply to the products of our Atlantic fisheries. A few days ago in this House some gentlemen from the Lower provinces urged the Government to subsidize a line of steamers to take our fish to Boston, but it seems to me a more sensible and practical thing, and more in the interests of the consumers of Canada, would be to provide cheap transport for fish from the Atlantic coast to Ontario and Manitoba, so that we would be able to purchase this fish at a reasonable cost, instead of bonusing a line of steamers to take it out of our country. These are problems we have to face, and problems that require a great deal of study and thought. We have these great natural resources which belong to the people of Canada, and the people of Canada have the right to get the full benefit of them. Instead of encouraging the export of our natural products such as fish, it would be much better to encourage interprovincial means of transportation, so that the people of Canada might be supplied with Canadian fish at a reasonable cost.

There is just one other phase of the question. I am not going to take up any more of the time of the House; but I shall be very glad to see this Bill go into force, and I hope, when it does, that every cold storage system of Canada will be placed under the absolute control of the department; that it will be licensed, and that every one of these cold storage systems will be compelled to make a monthly report of the amount of food products of different kinds held in the different cold storage plants. I believe this is absolutely necessary in the interest of the public. The public should know how many eggs and how much meat are at a given time in the cold storage systems of the country. If the public knew that, it would go a long way perhaps towards compelling the cold storage people, the people who control the food products of this country, to do the right thing by the people. The trouble at the present time is that there are millions of dozens of eggs and millions of pounds of meat stored away sometimes for one, two or three years. The people do not know it; and the cold storage people have been known to take out tons and tons of chicken and poultry of different kinds that have been in cold storage for two or three years and have destroyed them sooner than sell them to the people at a reasonable price at a reasonable time. I hope the minister will take every precaution he can to safeguard the interest of the people.

Mr. BURRELL: If it is desired to have more discussion on this Bill, I do not wish to choke off discussion. Our desire is to get all possible light on the subject, and I therefore move that the committee rise, report progress, and ask leave to sit again.

Progress reported.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Post Office—Outside service, salaries and allowances, $6,429,920.75.

Mr. GRAHAM: What is the increase made up of?

Mr. PELLETIER: The increase of $932,190.75 is made up as follows:

Increase in the post offices ..	$756,672.50
Railway mail service	125,314.00
Post office inspectors' offices ..	50,204.25
Total	$932,190.75

The first item of $756,672.50 is made up as follows:

Increases given to employees under the Act of 1913	$191,556.00
240 statutory increases of $100 each	24,000.00

98 statutory increases of $74 each	$ 7,252.00
721 statutory increases of $50 each	36,050.00
1,102 statutory increases of $78.25 each	86,231.50
200 additional clerkships	112,070.00
342 additional letter carriers, porters, etc.	214,405.00
Salaries of letter carriers at Amherst and Belleville	11,268.00
Increase in provisional allowance	43,840.00
Increase in amount for temporary clerical and other assistance	30,000.00
Total	$756,672.50

This makes up the first item of the three I gave a moment ago which together make the total sum of $932,190.75. Now, the second item contributing to this total amount is one of $125,214, and it is made up as follows:

104 statutory increases of $100 each	$ 10,400
70 statutory increases of $100 each under the Act of 1913	7,000
177 statutory increases of $50 each	8,85(
4 statutory increases of $78.25 each	313
20 statutory increases of $91.25 each	1,825
109 additional clerkships	59,300
1 additional messenger	626
Increase in mileage allowance	25,000
Increase in provisional allowance	10,000
Increase in amount for temporary clerical and other assistance	2,000
Total	$125,314

The third item of $50,204.25 is composed as follows:

Increase under the Act of 1913	$ 1,095 50
48 statutory increases of $100 each	4,800 00
13 " " 74 "	962 00
102 " " 50 "	5,100 00
1 " " 11 "	11 00
6 " " 78.25 each	469 50
28 additional clerkships	29,286 00
1 additional messenger	626 00
Difference between the amount provided for an assistant inspector at Sherbrooke ($1,800) and the salary of Mr. C. E. Soles, transferred from the Montreal inspector's office to fill the vacancy ($2,000)	200 00
Difference between the amount previously voted for the salary of a messenger in the inspector's office, Ottawa ($500) and the salary of Mr. O'Brien, appointed to the vacancy ($704.25)	154 25
Increased provisional allowance	2,500 00
Increase in amount for temporary clerical and other assistance	5,000 00
Total	$50,204 25

These items of $50,204.25, $125,314 and $756,672.50 together make the total of $932,190.75.

[Mr. Pelletier.]

Mr. KYTE: I understand the minister to say that he has difficulty in getting men to fill the positions of railway mail clerks.

Mr. PELLETIER: I said that we had difficulty in finding people who had passed the examination. But we have quite a number of candidates who would like to get in without having passed the examination.

Mr. KYTE: I have a letter from a man in my county, Mr. Abraham Beranger, who tells me that he made application for a position in the railway mail service but for some reason his letter appears to have been overlooked.

An hon. MEMBER: A Liberal.

Mr. KYTE: No, a Conservative. His father has been a consistent Conservative as long as I have known him. The young man holds a second-class certificate as teacher in the public schools of Nova Scotia and he desired to get some information from me as to whether or not that qualification would entitle him to that position. Perhaps the Postmaster General, when he comes down with his Estimates again, would think of looking up this young man's letter. I would like to give him such information as would enable him to qualify for the position if the qualification he holds at present does not entitle him to it.

Progress reported.

On motion of Mr. Borden, the House adjourned at 11.55 p.m.

Tuesday, May 12, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READING.

Bill No. 186, respecting the Canadian Northern Ontario Railway Company, and to ratify and confirm its purchase of a portion of the property of the Carillon and Grenville Railway Company.—Mr. Guilbault.

Bill No. 187, respecting the North Shore Power, Railway and Navigation Company, and to change the name thereof to 'Gulf Pulp and Paper Company.'—Mr. Fripp.

Bill No. 188, for the relief of Georgina Beatrice Boyd.—Mr. Fripp.

CANADIAN NORTHERN RAILWAY PAPERS.

On the Orders of the Day being called:

Sir WILFRID LAURIER: Mr. Speaker, in reference to the papers brought down concerning the Canadian Northern railway, on page 14, there is a statement of the earnings of the road for the year 1913, and an estimate of the earnings for the years 1916, 1917 and 1918. It would be important if the Government could get from the company a statement of the earnings for the year 1913 up to date, and an estimate for the balance of the year. Since we have an estimate for the year 1916, perhaps it would be possible to get a similar estimate of the earnings for the year 1914.

Mr. BORDEN: I will be very glad to ask the company for that information.

Mr. MACDONALD: Referring to the documents brought down yesterday in connection with the Canadian Northern railway, at page 5, there is a letter from Sir Wm. Mackenzie to the right hon. the Prime Minister, in which he says:

> For the reasons mentioned in the memoranda and statements respecting the Canadian Northern Railway system, submitted—

I do not see where these memoranda and statements appear in this book, as they do not appear to accompany the letter. It would be very important that we should have these.

Mr. BORDEN: Everything that accompanied the letter has been brought down, and the selection of the documents printed was made by my hon. colleague from Halifax (Mr. Maclean), and by my hon. friend the Solicitor General (Mr. Meighen). I have not examined the blue book very carefully. The documents alluded to were placed upon the table of the House. My recollection—I am not absolutely sure of this—is that what appears on the following page is a memorandum setting forth certain documents and information which were required from the company. When the company handed in these documents, they placed a copy of the written requisition which had been made in front, and these which follow in this book were the documents alluded to in the letter. That is my impression at the moment.

Mr. MACDONALD: Apparently that letter of Sir William Mackenzie was accompanied by some memoranda which explained the reason and the necessity for asking aid. I cannot find in the book or in such of the papers as I have looked at any such memoranda. If there is any such it should be in possession of the House.

Mr. BORDEN: The memoranda consisted of the information which was demanded to be furnished on two separate occasions. I do not know whether the information supplied on both occasions is printed in this book because I have not had an opportunity of examining it, but I do know that the information in a somewhat extended form was supplied on two different occasions. I will make inquiry and perhaps I can inform my hon. friend privately.

ANTI-HOME RULE MEETING IN TORONTO.

On the Orders of the Day being called:

Mr. LEMIEUX: I have just read in the Mail and Empire the report of a meeting held on Sunday in Toronto to protest against the Home Rule Bill, and I see that my hon. friend from Toronto East (Mr. Kemp), was present. I have read his remarks as reported in the Mail and Empire, and I must say that I do not find much fault with what he said. But, as a resolution much more drastic than his remarks was passed at that meeting, I would ask the hon. gentleman to state to the House whether he represented himself or the Government on that occasion.

Hon. A. E. KEMP: I fancy that the hon. gentleman is not absolutely serious when he asks whether I represented myself or the Government.

Mr. LEMIEUX: I am quite serious.

Mr. KEMP: I may say, as the hon. gentleman knows, that I represented myself on that occasion, and the Government had no knowledge whatever as to anything I intended to say at that meeting. I am glad than my hon. friend agrees with the sentiments I expressed; I consider them very moderate sentiments indeed.

Mr. LEMIEUX: Hear, hear.

CANADA GRAIN ACT AMENDMENT.

On motion of Hon. G. E. Foster (Minister of Trade and Commerce), Bill No. 170, to amend the Canada Grain Act, was read the second time, and the House went into committee thereon, Mr. Blondin in the Chair.

Mr. OLIVER: What is the purpose of this Bill?

Mr. FOSTER: In the working of the terminal elevators, the grain that comes in is burdened to some extent with freight and other charges, necessary to convey it to the terminal elevator. The warehouseman has, under the Act, to pay these charges when he takes the grain in, and these charges are then repaid by the shippers of the grain either before or at the time they ship out. In the course of the working of our own elevator we have had to pay out in the course of the half season's operations money for freight amounting in gross to seven or eight hundred thousand dollars, but this is almost immediately recouped and deposited to the credit of the Receiver General. The purpose of the first section is to carry out the idea of the Auditor General, which makes it unnecessary for us to get a vote for an amount, the maximum of which we do not know, and it enables us to draw for the money that is necessary on the Consolidated Revenue Fund, the money to be paid back again to that fund. When the internal storage elevators are added in operation to the terminal elevator at Fort William, the amount of these transactions will be much larger. Last year I had to get an advance from the Auditor General, and the advance was repeated and repeated. By this Act we will avoid the unnecessary loading up of the Estimates with large amounts, and do away with the necessity of asking the Auditor General for advances from time to time.

Mr. OLIVER: When this Act was in Committee the minister promised us certain information with regard to the handling of grain at the proposed interior terminals, and also the rate that would be charged for the service to be rendered, and generally to give the House an idea as to how the Government proposed to operate these interior terminals.

Mr. FOSTER: The interior terminals will be operated in very much the same way as the terminal at Fort William. These interior terminals are meant for the storage of grain. The grain before being stored has to undergo the operation of grading. It is sampled, inspected, graded and taken care of in the elevators exactly in the same manner as it is at present taken care of in the terminal elevators. This is the first and primal reason for the erection of these elevators. In the next place, each one of these elevators is to be equipped with all necessary treating and cleaning apparatus, so that for diseased or disabled grain, so to speak, in any season and more especially in seasons such as we had two years ago when there was a great quantity of that kind of grain through the Northwest, we shall have at these terminal elevators proper and adequate machinery for cleaning the grain as to drying, or any other way in which it is treated. That will be a very important office that the internal storage elevators will perform. The site of each elevator will have to be made a terminal point, and the grain stored there will break its passage. In so far as the rates of transport are concerned, these are matters which come under the general transport system; and the rates will be according to the railroad schedules over which the railway commission will have, at it has now, ultimate jurisdiction, if there is dissatisfaction with reference to the rates. Warehouse receipts will be given for the grain when stored in these terminal elevators just as they are granted at Fort William, and there will be a registration system for the receipts and cancellations when the grain is shipped out.

Grain will be inspected also for mills in the vicinity of these storage centres. We have already under the Act power to appoint an inspector for a milling concern, inspectors' fees to be paid, any deficiency to be made up by the mill itself. We inserted that provision in the Act some two years ago. If grain exchanges are established at the places where these terminal elevators are, then provisions will be made for the inspection of grain consigned to members of the exchange so as to facilitate their operations. Otherwise and beyond these matters, I do not see that any interference will be had with the general work of inspection of outward bound grain via Winnipeg and the lakes.

Mr. OLIVER: The usefulness of these terminal elevators will depend partly upon the facilities that they offer, partly upon the charges for the use of such facilities and partly upon the railroad carriage. How far can the minister inform the House as to the arrangement regarding road carriage?

Mr. FOSTER: So far as the charges to be imposed and the facilities to be given by the railways are concerned, these matters have not yet been taken up by the commission. These elevators will not be ready for the receipt of grain until probably December of this year or January of next year; and in the meantime the Board of Grain Commissioners will have to take up the whole question as to the modus oper-

andi and the charges, so far as they rest in the hands of the board itself, which will be the charges for storage, cleaning and everything like that. So far as the railway rates are concerned, that matter will remain, as I have said, in the hands of the transport authorities, and the Board of Grain Commissioners will take the matter up with them. I suppose what my hon. friend has in mind is what may come to be a back-haul at certain times, namely, grain in the vicinity going into the storage elevators, then when going out again having to traverse part of the ground which it has previously traversed to get in. There is an arrangement which the railway companies make in the United States for this class of elevators; and I presume the same arrangement will be made with our own railways, both as regards the back-haul for the grain alone and as regards the freight rates charged for what we call milling in transit. These matters have not as yet been taken up by the Board, although they are being considered; but they will be taken up in the summer and provided for by the time the elevators are ready to receive grain.

Mr. OLIVER: The point that I want to get at and that I cannot imagine has been left in doubt at all up to the present time is as to whether there will be a storage-in-transit rate on the grain, or a local rate for part of the haul. If there is to be a storage-in-transit rate on an absolute equality with the rate without storage, that will make for the usefulness of the storage facilities offered. If, however, there is not an arrangement for a storage-in-transit rate which shall be on an equality with the present rate without storage, then the usefulness of the storage facilities provided will be very much minimized; and I assume that that is not a question in doubt at the present time, but that the Government and the minister know absolutely whether a storage-in-transit rate on an absolute equality with the present rate without storage will be given or not.

Mr. G. E. FOSTER: So far as that is concerned, whilst I think there is no doubt at all that there will be storage-in-transit rates, these have not yet been fixed, and they will not be fixed until the Board of Grain Commissioners take the matter up with the railway authorities first and then with the Board of Railway Commissioners.

Mr. OLIVER: This is a rather serious matter. The Government has entered upon this policy, presumably for the benefit of the producers and through them of the country generally; and on the authority of the minister, the Government does not know to-day whether that policy is going to be efficient, not knowing what the railroad rates are to be. I can hardly imagine a Government undertaking this policy in that condition. Surely it was quite possible to know a year ago whether there was to be a storage-in-transit rate on an equality with the rate without storage or not. It was not necessary to wait until the storage was provided before the rates could be arrived at. I have hopes that the condition is better than the hon. minister has seen fit to lay it before the House; but if it is as he has actually laid it before the House, it certainly is not a fortunate condition.

Mr. SUTHERLAND: Has the minister considered the question that came up when the original Bill was before the House last year in regard to elevators for treating diseased and disabled grain? I refer to the noxious weeds that are cleaned out of the grain at these elevators. It seems a remarkable state of affairs that we should have elevators for treating diseased grain, and yet that part of the material handled which offers the greatest menace to the country is scattered broadcast. I feel that I am well within the mark when I say that the spread of noxious weeds throughout Canada is costing this country, I will not say how many millions, but certainly high up in the millions every year, and presents a serious problem in every province in Canada. So I do not think this Bill will be complete until the Government sees to it that none of the noxious weed seeds that are cleaned out of the grain in these elevators are allowed to be scattered broadcast throughout the country. I think this matter should have engaged the attention of the Government, and I hope it will engage their attention in the near future. I know that the provincial legislatures have the power to enact laws to control this matter, but I believe it would be more effective and more satisfactory if this Government were to take it in hand. What would you think of a hospital which treated people for contagious disease yet made no effort to prevent the spread of that disease? Yet we have a similar condition here, but instead of preventing the spread of its disease it is encouraged. This spread of

noxious weeds I consider a most serious menace to the farmers of Canada at the present time. We speak of the high cost of living in this country. Why, there would be a living for one-third of the people of Canada in saving the losses that take place every year through the spreading of this terrible pest of noxious weeds throughout the country.

Mr. KNOWLES: I desire to ask the minister a question which I put on a former occasion—with regard to the architects of these buildings.

Mr. G. E. FOSTER: If the hon. gentleman is going off on another branch of the subject, I should like to have opportunity first to answer my hon. friend from South Oxford (Mr. Sutherland).

Mr. KNOWLES: I was not going to deal with the question of the screenings.

Mr. FOSTER: As to the question of noxious weeds in the screenings, I may say that for the past year that has engaged, and is now engaging, the earnest attention of the Grain Board. We have added the machinery of the chemical labatory, and we have at present two men, thoroughly equipped in their several departments, who are paying particular attention to that branch of the subject. They are working together with the officers of the Grain Board and are doing all that possibly can be done at the present time to get at a basis of facts with reference to noxious weeds in the several grades of grain, and also with reference to the values of these different seeds, mostly weed seeds, and the useful purposes to which they may be put. On that basis of fact, when it is made, there can be built up a system of taking care of these leavings of the good grain and making those leavings of economical use, for it is quite possible to make these screenings useful as feed for stock of various kinds. Of course my hon. friend is entirely right, that noxious weeds are a great detriment to the country. The 'farmer's pest' is always with most of the farmers of the country. And, whilst we would like to see the time approach when there will be no weeds on any farm in Canada, yet, the millennium so far as that is concerned, is a good way in the distance. But that does not justify the relaxation of any effort towards restricting, diminishing and if possible eradicating this pest. The provincial governments have their parts to do in the matter, and they are moving in that direction; the Department of Agriculture of the Dominion and the departments of agriculture of the several provinces co-operate in this work. Whatever can be done by the Grain Board, and—after they have mapped out their work in this matter, whatever can be done by Dominion legislation to diminish this pest, will be done. And I hope to be able, at the next session of Parliament, to give a fairly clear idea as to what we think can be done by the Grain Board and through Parliament in this direction.

Mr. KNOWLES: The weed problem is a very important problem in the West and has been so for many years. Some of the weeds we have are so tenacious that it is almost impossible to cultivate them out of the ground. But I must say that the theories of my hon. friend the Minister of Trade and Commerce (Mr. Foster) with regard to the desirability of having weedless farms and how to get rid of weeds will not, I fear, carry much weight in the West. For I may tell my hon. friend that the farmers of the West take very little stock in his advice about how to farm. In fact, it is one of the jokes among our people that the hon. gentleman's remedy for the evils that afflict us is mixed farming. I suppose that panacea would cover weed evils also, according to the hon. gentleman. Perhaps he will correct me if I am wrong. Evidently, he has not given that problem the mature thought that he has given to the other questions on which he has laid down his doctrine. At any rate, it is a joke among our farming community, that the Minister of Trade and Commerce, with all his college degrees, and even with his high standing as an orator, has one way of settling all our difficulties and that is by advising us to go into mixed farming. It is something like adequate protection—there is supposed to be something in it for everybody. But I can tell the hon. gentleman how he could have done more to keep down the weeds than in any other way, and that is by allowing us to grow such short-maturing crops as barley. There was nothing for which the open market that at one time seemed to be so near to us was more prized by our farmers than for this very reason, that it would have given them an opportunity to clear their farms of weeds. The worst weed we have, perhaps, is wild oats. There is so much oil in the seed that even though you summer-fallow your ground for four or five years, yet the seed will not rot. It is only by some system of growing crops that will mature before the wild oats that you can compel this weed to grow itself out. As I say, there was nothing for which

the open market was more desired than to enable the farmers to clear their farms by cultivating these quickly-maturing crops.

Mr. CURRIE: Reciprocity would send more rain, too, would it not?

Mr. KNOWLES: I do not know whether or not it would have sent more rain, but it would have produced better conditions than those that exist under this Government. The people of Canada had the opportunity of choosing between a progressive, statesmanlike policy and a reactionary policy; they took the latter and we see the results. We saw the results before 1896 and we have seen them since 1911. If the people of Canada had accepted the progressive policy, I believe that there would be no such financial depression in Canada as there is to-day. Why is it that in England they never were so prosperous as they are now? Why is it that the city of Toronto is more prosperous than it has been? You can scarcely rent a house in the city of Toronto to-day because the policy of this Government makes Toronto prosperous and makes our farming communities not prosperous.

Mr. G. E. FOSTER: Now suppose we get back to the Bill.

Mr. KNOWLES: The hon. member for South Oxford might have been told to stay with the Bill and the hon. member for South Grey as well. I am afraid that the advice of the hon. minister on the weed question or anything else that pertains to farming, will not carry very much weight. As a farming instructor, the hon. Minister of Trade and Commerce is a joke. When the western farmer asks for anything he is told to go into mixed farming; that advice is pretty well played out. We must get what is coming to us, not periodical lectures on mixed farming by a gentleman who does not know anything about farming. When the minister had his Bill before the House on a previous occasion he was in a hurry to get it through at six o'clock and he promised to give us some figures with regard to the relationship between the architect and the contractor in connection with these elevators. He informed us that the architect was a Nova Scotian, although he belonged he thought, to the firm that was constructing the elevator. Would he kindly give us such information as he can with regard to that dual capacity?

Mr. SUTHERLAND: The hon. gentleman who has just taken his seat stated that the remarks which I made were outside the scope of the measure now before the committee. I think I was well within the mark, because the provisions of the Bill deal with exactly those things to which I was referring. When the hon. member refers to the hon. Minister of Trade and Commerce as a joke in western Canada when he undertakes to enact legislation in their interest—

Mr. KNOWLES: I am sure the hon. gentleman does not want to misrepresent me. I did not say that; I said that when he turned farming instructor we regarded that as a joke.

Mr. SUTHERLAND: Permit me to say that when the hon. gentleman endeavours to make the people of this House believe that by growing barley he can get ahead of the wild oats, he is a joke himself. I say that you will have difficulty in beating out the wild oats by growing barley or any other kind of grain, for the oats will germinate just as readily and mature just as quickly as the barley. Even if cut before maturity, the grain will germinate and grow, and the roots will grow as well. This talk about the western farmer being handicapped by the people of Canada because they have refused him reciprocity is getting a little stale in this House. This House is being asked, day after day, week after week, and session after session, to pass legislation in the interests of the people of Canada and particularly in the interests of the people of the West. We are building the Hudson Bay railway, and we are building storage elevators, and the people of the West want cars right at their doors so that they will not have to build granaries. If the people of the older provinces were to ask for favours of this kind, they would be laughed at. We find no fault with the granting of facilities to the people of the West, but I think the hon. gentleman goes to extremes when he criticises the minister, who is doing everything in his power to look after the interests of the people of western Canada.

Mr. NEELY: I was surprised to hear the negative and noncommittal statement of the hon. Minister of Trade and Commerce this morning with reference to a question brought to his attention by the hon. member for Edmonton. A couple of years ago this House undertook to pass the Canada Grain Act, which we are now asked to amend by this Bill. As I understand it, the object of the Canada Grain Act was to regulate and correct certain conditions and

abuses that surrounded the marketing of the farmers' grain, particularly in western Canada. Under this Act the Board of Grain Commissioners was appointed by this Government, and are carrying on the work of making regulations in respect of the storage, handling and marketing of grain. We have been watching very closely the operations of this Board of Grain Commissioners, and, so far as I can discover, the only radical change that they have accomplished is that in certain instances they have increased the fees chargeable against the farmers' grain for handling at the terminal elevators. This Government have inaugurated a new policy; they have undertaken to establish interior terminal elevators at various points through the West. The only possible good that could come from the establishment of these interior elevators would be to relieve the conditions of congestion that have prevailed year after year because of the inability of the railroad companies to handle the farmers' grain in the marketing season, and, in some cases, the inability of the terminals at Fort William and Port Arthur to receive the grain when it is brought there by the transport companies. In my judgment the very first thing, the Government, embarking on this policy, should have considered, is the question of keeping down the cost of storage and of transportation. If the effect of this policy is going to be that, in addition to the necessary extra charges for handling, that is unloading, storing and reloading of the grain at these interior terminal elevators, the grain grower will also have to pay two local rates on his wheat, to these interior elevators and from there to the final terminals, if we may use that term, at Fort William and Port Arthur, then I think that experience will prove and prove very shortly that this whole policy of interior terminal elevators will fall to the ground. In my judgment the very first duty of the minister responsible for the inauguration of this policy was to have made arrangements with the transportation companies as to the rates that would be charged for grain shipped to these interior elevators, and from them to the final terminals at Fort William and Port Arthur. The charges for handling grain at these terminals are inevitable. But if to these charges, as the minister will see, there is to be added an extra charge owing to the payment of local instead of through freight rates, the grain growers of the West will be very loath indeed to ship their grain to these interior storage elevators. The minister has absolutely failed to carry into effect the necessary measures to make these interior terminal elevators in the country a success. He now tells us that the question of rates is all in the hands of the Railway Commission. We quite appreciate that and we know that, year after year, these matters of freight rates in the West have been before the commission. In a case inaugurated something over two years ago a decision was handed down recently. Full two years had been spent on this question of rates. There is no doubt that if the farmers object to paying two local rates, and this matter is to be brought to the attention of the Board of Railway Commissioners, there will be an interminable delay before the matter can be remedied, if indeed it is ever remedied in that manner. Surely the minister does not propose to tell us that he jumped into this thing in the dark, when he decided on the policy of erecting a considerable number of more or less expensive interior storage elevators throughout the West, without working out to its final conclusion the beneficial effects that that policy might or might not bring to the grain growers. I say that is surely a serious admission on the part of the Minister of Trade and Commerce, if he proposes to make it, as apparently he has made it this morning. If the minister had found it impossible to make an arrangement with the transportation companies for the continuance of a through rate in connection with these interior storage elevators, a knowledge of that fact would have had a very important bearing on the decision of this House to agree to the policy of establishing these interior storage elevators. The minister knows that if the cost of using them is too large the farmers will shirk using them. From the answers to questions I have asked the minister, I do not think that the Government so far has got along very far in the actual construction of these elevators and I trust that before the minister goes any further with their erection or incurs any further expenditure, he will ascertain if it is not possible to have the railroad companies agree to give a through rate to Fort William, Vaucouver, Hudson bay or other final terminal points; because I am quite satisfied that if some such arrangement is not made the beneficial result of the building of these interior storage elevators will be nullified to a large extent, if not entirely. So far the passing of the Canada Grain Act a couple of years ago has resulted only in the increase of the cost of handling and marketing grain. The minister knows that

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the great cause of loss of profit to the farmer is the cost of production of his grain in the West. That cost has markedly increased owing to various things, not altogether the increased cost of handling, other contributing causes are the increased cost of lake shipment, of ocean shipment and of labour. The minister has read the report of the commission appointed by the Saskatchewan Government over a year ago to investigate the grain trade in which they point out that notwithstanding that last year's crop was the best the West has ever produced, both as to quality and quantity, the margin of profit was less last year than for many years previously. The commission pointed out that from 1909 to 1913 the cost of production of grain in western Canada had increased from twelve and one-half per cent to fifteen per cent, and one of the items in this increase has been the increase in the cost of storage, handling and marketing. The crux of the success of this elevator scheme depends upon keeping the cost of the use of these elevators down to a minimum; and if the farmer, say at Swift Current, who uses the terminal interior storage elevator at Moosejaw, has to pay a local rate from Swift Current to Moosejaw and another local rate to Fort William, or even if he has to pay one local rate with his through rate from Moosejaw to Fort William, the result will be that the grain grower will find it quite impossible to use these means of protection in times of congestion. I have been trying to get, by questions and returns, certain facts in connection with the operations of the Board of Grain Commissioners at Fort William and Port Arthur. I want to draw the minister's attention to a return dated March 2, of this year which I moved for and which called for

The quantities of wheat, by grade, received into the terminal elevators at Fort William and Port Arthur from the date of the weigh-up in 1910, to the date of weigh-up in 1911, the same for 1911-1912, and the same for 1912-1913.

I have gone over these returns and I find a very remarkable omission in all of them. My idea in moving for the return was to find out whether or not the terminal elevators were giving any better results under the control of the Board of Grain Commissioners than formerly. I am absolutely unable to come to any conclusion in that respect. These elevators show a certain amount of shortage or overage each year. The reason why the returns are unsatisfactory is that there is no balance carried forward from year to year in the case of each elevator. The bank account is apparently absolutely closed at the end of each year, or at each annual weigh-up, and the elevator starts out with a clean sheet for each succeeding year. The amounts are given for each year, the shipments in and the shipments out and the weigh-up, but there is no balance carried forward from year to year. There seems to be a remarkable omission in the returns and it prevents me from arriving at the information I had in my mind when I moved for them. There is no balance carried forward from the weigh-up of the year 1911 to the year 1911-1912. I would like to ask the minister if he does not think that he would be well advised to take into his consideration the question brought to our attention by the hon. member for Edmonton (Mr. Oliver), and to see, before there is any further prosecution of this policy of building interior elevators, if there is any possibility of coming to a definite arrangement in regard to the matter. That could be done quickly, but the minister has not taken any steps even to ascertain whether it can or can not be done. As far as I could gather from his remarks, he never made an attempt to make such a specific arrangement. I think it is important that the attempt should be made now before the policy is prosecuted further. Surely the minister does not want to load up the country with a large capital expenditure for the building and maintenance of these elevators if the elevators are not going to pay, and if, to make them pay he has to compel the farmer to pay a great deal more in charges than he can afford.

Mr. KNOWLES: Is the minister not going to answer any of the questions that were asked him?

Mr. G. E. FOSTER: I did not quite catch my hon. friend's question.

Mr. KNOWLES: The minister will remember that, during the consideration of some amendments to the Grain Act, or perhaps it was while his Estimates were under discussion, I asked him as to the circumstances under which gravel had been procured for the construction of the elevator at Moosejaw, and I asked him also how the different railways were to get in. The minister said that he would have a letter written to the engineer and see if he could make any report upon it. I asked him in regard to the access of the different railways and he said I could see the plans if I went to the department. I went to the department but found that they were gone.

I also spoke of the combined position of architect and contractor and pointed out that the other contractors were at a disadvantage because the successful contractor was associated with the architect. None of these points were discussed at length, but the minister stated that we could discuss them later on; he was very anxious to get the item we were considering through before six o'clock. I see that he has not anticipated the repetition of these questions and I do not know whether we will have another chance of having them answered during the session.

Mr. G. E. FOSTER: What I said at the time—we were discussing Estimates—was that I would reserve one item in the Steamship Subsidies Estimates and that when we came to take them up afterwards I would be prepared to answer any question in regard to elevators and elevator construction. My hon. friend will remember that.

Mr. KNOWLES: Yes, I was in error when I said it was the Grain Act that we were considering.

Mr. FOSTER: When we were putting through the resolution upon which the Bill is founded, the hon. member for Edmonton (Mr. Oliver) asked if I would answer some of these questions at the time the Bill was being put through. I said that I would, and the hon. gentleman himself also put some queries that he would like to have answered. Therefore, I have been looking towards the discussion of these matters when we came to the single item that had been left in the Estimates. However, in face of the remarks which have been made by my hon. friends opposite, I will try to answer the questions now. Some of them I am going to allude to because they are important, and others I am not going to allude to because they refer to a little joking in reference to myself, and that is not important enough to take up the time of this committee with. I have never posed as a farm instructor, and all I did do was to exercise my individual right as an humble observer, and in looking over the situation in the West I conceived an opinion that in some way or other mixed farming might be more extensively prosecuted than it hitherto has been. I had the temerity to utter that opinion in the House on several occasions. I am quite sure that nobody has been hurt because I did utter it, and I am also quite sure that I have not lost the respect of any good, well-grounded farmer in the West because I mentioned that opinion. I defer entirely in connection with all that kind of knowledge to my hon. friend from Moosejaw (Mr. Knowles). He is a past master in all those questions of wild oats and oil seed out in all the different ranges where weeds grow and flourish and pester the farmer of the West. He lives in that country and ought to know a great deal more about these things than I do.

As to gravel, which has greatly disturbed my hon. friend, I am afraid I will have to ask him to excuse me from going deeply into the gravel question, because I do not think it is important. We make a contract with a contractor. We pay him for his construction, and cement is used in that construction. The contractor has to look for his own materials and he gets them where he best can and at the best price he can for himself. We are not concerned as to where he buys his cement, except that we would like him to get it, and he practically does get it, in Canada. We are not concerned as to where he gets his gravel. We are concerned with two things, and with two things only. These are that the cement shall be the proper thing and that the gravel shall be the proper kind, and that the two shall make the construction according to the ideas of the supervising officer who is our own engineer. As to any troubles which have arisen in the path of the contractor towards his finding the gravel and getting it to the place of construction, I do not think that is anything of interest to this House.

I have no information upon it. All that I require my engineer to do is to supervise the construction of the work and see that the gravel and cement are proper. That he does, and that he reports to me. So much with reference to the gravel business. The next is as to the nearness of contact between the contractor and the engineer. Plans are prepared by different individuals and architects for the building of an elevator. These plans are gone over very carefully by our own architect and engineer. The plans he considers the best for that particular elevator are recommended by him and they are accepted on his recommendation by the board. Then it is the duty of the supervising engineer, who has no affiliation with the contractor in any way, to see that the building is constructed upon these plans and specifications, and that he does. There is no collusion and could not possibly be any collusion be-

tween the architect and the contractor in that respect. The architect's plans are there; if they are not good they are not taken, if they are good they are taken, and when they are taken the plans and specifications have to be lived up to according to the direction of our own engineer in charge, and in whom I have full faith. Mr. Howe is one of the most capable young men in his profession in Canada, and he is also as straight-forward and as honest as a man can be. I have every confidence, as has the Board of Grain Commissioners, that he does his work well and sees that the contractor does his work well also.

With reference to my hon. friend (Mr. Neely), who made the general assertion that after all these three or four years of effort under the Canada Grain Act, the only benefit that has come to the West was that they had had their fees and charges raised, which, however, is not the fact. I may say that the enunciation of a statement like that is all the argument I want to use against my hon. friend's fairly long criticism of the Grain Commission and of the working of the Grain Act. I put that to the farmers of the West, to the shippers of the West, and to the grain growers of the West. Here on one side is a statement made by a member of this House that all the good that has come to the West out of the whole Grain Act and out of its administration under the commission is that they have had their fees made higher.

Mr. NEELY: I said all I had been able to discover.

Mr. FOSTER: My hon. friend will not depreciate himself so much as to say to this House that there is anything discoverable that he has not been able to discover. He has not so placed himself generally before this House as being a man who feels that he is lacking in knowledge in any way; the opposite is rather the case. He is an authority upon western matters and I have never questioned his authority, and it will not do for him to try to escape the mild criticism I am giving him by entering the plea he has just put in. I will let his statement go to the farmers, to the shippers, and to the grain men of the West and he will not find a baker's dozen of them who have had anything to do with and any experience under the Canada Grain Act, who will stand by him in that assertion. He has quoted the commission appointed by the Government of Saskatchewan, by which he sets great store, and I read the report of that commission and I approve very largely of that report. I hope I will not raise the ire of my hon. friend from Moosejaw (Mr. Knowles) when I venture to express the opinion that after having read that report I think it is a very excellent report, and my hon. friend can take that report from the first page to the last and he will find almost unceasing commendation of the work of the Grain Commission and of the Canada Grain Act.

Mr. KNOWLES: Where is the commendation that my hon. friend speaks of?

Mr. FOSTER: If the hon. gentleman has read the report he will find it on almost every page.

Mr. KNOWLES: What is the date of that report?

Mr. FOSTER: I cannot be expected to keep such dates in my head, but my hon. friend comes from Saskatchewan and surely he knows the date of the report of his own provincial government and he is not asking me for information in that respect.

Mr. KNOWLES: I wanted to get it down on 'Hansard.'

Mr. FOSTER: These are apparently questions which flow out fatuously from the hon. gentleman and are not meant for any practical result. With reference to the storage elevators, my hon. friend who last criticised them, gave the impression to the House that in the first place the only reason why these elevators were constructed was to enable people to store grain on its way to the ultimate market. That is one reason, but that is not the only reason. Even suppose we let him rest on his own argument, that the man who puts his grain into the storage elevator will have to pay the local rate from the place he takes it to the storage elevator, and then when the storage has served its purpose that the local rate will have to be paid again when it is sent to its ultimate market, are there not still other advantages to come from the erection of storage elevators in the West? I think the hon. member will not say that the only advantage is a resting place for a little while for grain on its way towards its ultimate market. The storage elevator is also to enable men who wish to take advantage of the market, and are able to take advantage of the market, and who have no grain houses and storage places of their own, to put their grain into these storage houses nearby their own farms, to get their warehouse receipt, to finance themselves

upon that receipt, and if they wish, to hold the grain in an independent position for a future market. They have had no conveniences for that upon their own farms, and I hope my hon. friend from Moosejaw will not think I am unduly criticising the western farmers because they have not these conveniences, but the fact is that as a rule they do not have them. Here we have machinery placed by this Parliament or by the Government in which they may store the grain and hold it there, financing themselves to the extent that the warehouse receipt gives them the capacity for so doing, and avoiding the necessity of throwing their grain in with the general rush, when the price is apt to go down, as it did last year, and holding it themselves for a future market. I think that is a great advantage, especially if what happened two years ago should repeat itself. If you have any season during which we raise in the West two hundred or two hundred and fifty million bushels of wheat, when, owing to the season, a large proportion of that goes bad and needs to be treated, these internal storage elevators equipped thoroughly for drying and for treating grain will save so much to the aggregate farming interests of the West that they will pay for themselves one hundred times over. I think every one will admit that. In a season such as we had two years ago, with an aggregate output of two hundred and fifty million bushels in the West, elevators at Calgary, at Saskatoon, and at Moosejaw, ready for storage to the extent they will be, with treating machinery in full equipment, they will be an insurance and a benefit to the farmers of the West which it is very difficult to estimate in money value. These are advantages that ought not to be lost track of in connection with the other.

As to the matter of rates, we are not legislating in this Canada Grain Act for rates on railways. Rates on railways are fixed in different Acts and by a different authority from the Grain Commission. I am quite willing —I am rather glad in fact—that my hon. friend's criticisms have gone upon the paper. They will be embalmed in the treasure house of this Parliament—the inevitable and inexhaustible 'Hansard.' There they will be; and we shall compare notes next year when we come together again, when the capacities of 'Hansard' will be just as large as they are to-day, and we shall see how we make out in the way of these comparisons. I have no fears as regards that. The Grain Commission and my department have already considered this matter to a certain extent and will further consider it; and when the time comes for the movement of the grain and the operation of these internal storehouses, I have no doubt that a satisfactory arrangement will be reached.

I do not know that there are any other questions that I have missed answering. I want to answer every question; and if I incorporate into my answers a little mild criticism now and again of my two hon. friends who are facing me, it is just to show that I am generous enough to give back a little of what they so generously gave to me.

Mr. NEELY: It is very remarkable that the hon. minister, with all that fund of information which he has, which he should have and which he is expected, as the head of his department to have at his command, in speaking of the improvements in the handling and the marketing of the grain of the West, that have been brought about under his administration, after all has had to fall back for his verification on a report published by a commission appointed by the Government of the province of Saskatchewan. Whilst he has challenged my statement, he has not given, so far as I can learn, any concrete evidence that he has concrete illustrations in his own mind as to what improvements have been brought about; but he simply makes the general statement, basing it on the report which I have just mentioned, that such is the case. I am willing to take the minister's word for it, but I would have preferred if he had given us some concrete illustrations as to the improvements brought about since he has been in charge of the Department of Trade and Commerce, and consequently of shipping conditions in the West.

The minister tells us that, when this policy gets on a little further and when there are eight or ten of these elevators in operation, this question of the rates will be worked out satisfactorily. That information is very satisfactory, but it is very indefinite. The minister does not at all meet the point which I am trying to make, namely, that, before launching on this policy of building a large number of storage elevators throughout the West, at a greater or less expense, he and his department have made no definite arrangements. I use for illustration only this one particular benefit that the farmers expect to derive from these storage elevators, that is, a place of storage in time of congestion.

I quite agree with the minister that they may be of great benefit in other directions; but the point I am making is that, if the financial benefit that may be derived by the farmers from the erection of these elevators is to be handed over to the railway companies by the paying of extra rates for transport, then the whole scheme falls to the ground. That is my contention, as the minister knows; but he has managed, in that very able manner of his, to evade it entirely in his reply. The minister is very capable when it comes to making a general statement; but when it comes to giving particulars, I am afraid I have to admit that, apart from the criticism of my hon. friend from Moosejaw (Mr. Knowles), that he is not an authority on farming, he is not just as great an authority as he should be on matters intimately connected with his department.

On April 22 I asked the minister a few questions, which he was good enough to answer, with reference to what the Board of Grain Commissioners had done regarding the establishment of sample markets in western Canada. Here is a little bit of inside history given in answer to my questions. The questions and answers are as follows:

Mr. Neely:

1. Has the Board of Grain Commissioners recommended to the Government the establishment of sample markets in western Canada?

2. If so, what date did they recommend for the establishment of sample markets and at what points?

3. Has the Government passed any Order in Council respecting the matter, as required by the Grain Act?

4. If so, what dates were fixed and what points were selected for the establishment of these sample markets?

5. If such Order in Council was passed, has it been given effect? If not, why not?

Mr. George E. Foster:

1. Yes.

2. September, 1913. The board afterwards—

I do not know what 'afterwards' means—

—changed the date of their recommendation to December 15, 1913; Winnipeg and Fort William.

3. Yes.

4. December 15, 1913, but subsequently indefinitely postponed; Winnipeg and Fort William.

5. No. The crop of 1913 was of unusually high quality and remarkably uniform. It was harvested early and placed rapidly upon the market. By the date set, most of the wheat had passed out of first hands, and the farmers therefore would have got little if any advantage from putting the sample market into operation.

If the first date recommended, namely, September 1, 1913, had been adopted, and the Order in Council passed in accordance therewith, this answer would not have been on the Order Paper as to the crop having passed out of the farmers' hands previous to the establishment of the sample market. I am giving this as an illustration to show what I think everybody in the grain trade in the West knows perfectly well, that, through inexperience or something of the sort, a certain policy entered into last year for the handling of last year's crop was recommended by the Board of Grain Commissioners, an Order in Council was passed based upon that recommendation, and what happened? When it came to the working out of the policy, certain insuperable difficulties faced both the members of the board and the minister, with the result that that Order in Council was not carried into effect, but was indefinitely postponed. The recommendations of the Board of Grain Commissioners and the operations of the minister and department during this year will show whether or not they propose to take up for the coming year the proposals which they made last year, but which they dropped. I am just using that as an illustration to show how a policy may be adopted without due consideration, and that those who have adopted the policy may find themselves up against insurmountable difficulties, with the result that the policy has to be dropped. I would not like to see that occur in the case of the interior storage elevators, because I agree with the minister that great benefits may result therefrom. That is, benefits will result if the railway companies are not permitted to rob the farmers of those benefits by charging them double rates instead of single through rates to the head terminals at Fort William and other points.

Mr. ROBB: Can the minister tell what will be the storage rates in these elevators?

Mr. G. E. FOSTER: These have not been fixed yet by the Grain Commission. I may remind my hon. friend from Humboldt (Mr. Neely) that he is in error when he says that the only thing that had happened as the result of the Grain Act and its administration under the Grain Commission was an increase in the rates. I do not follow him in that, for the rates for storage in elevators are exactly the same as they were last year, under the amended Act they remained the same as under the former

Act; there has been no raising of rates in any respect.

Mr. NEELY: What about the license and so on.

Mr. FOSTER: I did not imagine that my hon. friend was so interested in looking after the interests of the elevators, these big corporations, that we would raise this row because they were made to pay a fair license fee. That fee does not come from the farmer, and I think that the elevators are quite able to pay it; and so long as I have the administration of the Grain Act I propose that they shall pay something for the privileges that they enjoy. But so far as the fees charged the farmers are concerned, whether in the country elevators, the elevators in the West or the terminal elevators the farmers pay not one single tenth of a cent more than they paid before.

My hon. friend from Huntingdon (Mr. Robb) asks what will be the storage rates. I have already answered that the storage rates have not been settled. They will certainly not be greater than the rates at present in force in Fort William. Whether they shall be less or not will depend upon the opinion of the Grain Commission. I may say that while, as minister, I am responsible in the end, yet I have thrown absolutely their full share of the responsibility for these matters upon the Grain Commission. They are three men whom I believe to be good men and capable. They are in the business and all the time they are going, up and down the whole line of transport and amongst the people who are engaged in this business. I think they have the best opportunity of examination and of reaching conclusions, and I stand by the Grain Commission. I do not think there is a single thing yet in which I have been at cross purposes with them. I think they know better what ought to be carried out than I do. At the same time, I do not abdicate my position as being responsible and there is very little that the Grain Commission does that I do not discuss with them in one form or another.

Mr. ROBB: The statement from the minister that the storage rates will not be greater than the rates at Fort William will not afford much encouragement to the grain grower or grain handler of the West. The storage rates at Fort William have been one of the grievances in the trade. For instance, they charge for winter storage one cent per month, whereas, if the grain were on this side of the lakes it would be carried at one and one-half cent for the winter season.

If the internal elevators are to be of any considerable value for storage in the West, rates will have to be considerably reduced as compared with those at Fort William. Now, I agree largely with what the minister has said as to the value of these internal elevators in the West. One advantage will be that the crop can be handled more quickly than would be possible if the trains had to go down to Fort William and back. Another advantage will be that if these elevators are equipped with proper cleaning machinery, the grain can be cleaned in these elevators and the owner of the grain will not have to pay freight on weeds and seeds that are of very small commercial value and that are not wanted in the East. I am not sure that it is good policy to give out the ideas concerning the western country that freight rates are going to be quite as bad as represented by my hon. friend from Humboldt. I noticed that the hon. minister was not in a position to correct that. I do not know where my hon. friend from Humboldt gathered the idea he gave to the House. For instance, he gave a concrete case where they will have to pay a local freight from Swift Current to Moosejaw and another from Moosejaw to Fort William. I think he has been misinformed in that.

Mr. NEELY: I did not say anything about what they had to pay; I asked if the minister had made any arrangement.

Mr. ROBB: I gathered that the minister was going to take credit later on for fixing these rates. As a matter of fact, the rates had been in force for many years, and I suppose that these internal elevators will enjoy the same privileges as the millers in their elevators. Grain will be shipped on through rates to Fort William and will pay a stop-over of two cents per 100 pounds for cleaning. I think that is a reasonable charge and the farmers could hardly expect better. These are the rates going East; the rates going West are somewhat different, and they, perhaps, will have to be corrected.

Mr. KNOWLES: How long is the stop-over?

Mr. ROBB: I think the millers are allowed six months.

Mr. G. E. FOSTER: As to the point mentoned by my hon. friend, the feeling that the rates for storage at the terminal elevators at Fort William have been too high, we really are not in a position to under-

stand the inside workings of the elevator system under the established rates until we have had the experience of a full year of an elevator owned and operated by the Dominion. The Grain Commissioners, of course, are watching that matter very closely, as also is my department. At the end of the year we shall have means of estimating what are fair and reasonable charges for storage at the terminal elevators. I am not making any pronouncement at the present time. But the Grain Commissioners' report, when it comes down, will, I think, give an intimation of the views that the Grain Commission has formed in that regard. And, I may say—putting it negatively—those views are not of a tendency to increase the cost and charges at the terminal elevators. The whole matter, as my hon. friend will see, assumes an entirely different aspect as the basis for judgment concerning proper charges, when the operation of the Government elevator has proceeded for the space of one year.

Mr. OLIVER: What are the winter storage charges at the Midland elevator ?

Mr. FOSTER: I have not the information before me just at the present time.

Mr. ROBB: One cent and a half a bushel.

Mr. OLIVER: What is the storage charge at the Port Colborne elevator ?

Mr. ROBB: One cent and a half is the maximum rate; if the grain is taken out within the winter period the rate is one-thirtieth of a cent a day.

Mr. OLIVER: The Port Colborne elevator is the property of the Dominion Government. It was built by the Dominion Government at the cost of the Dominion; it has been in operation for a considerable number of years, and there ought to be adequate knowledge in the department by this time as to whether the charge at the Port Colborne elevator, which is on all-fours with the private elevators at Midland, is or is not below a reasonable figure. It is hard to make anybody understand that Government money employed at Port Colborne in the erection of an elevator should have less earning power than Government money employed in the construction of an elevator at Fort William. I think the minister has been rather slow, if I may say so, in making up his mind as to what the storage charges should be, especially when he is establishing a new policy, carrying out a new principle and making a very large expenditure of money. Without wishing to delay the committee, I take this opportunity of emphasizing to the minister the views of the hon. member for Humboldt that the value of the interior elevators depends upon the charges made for their use, both in respect of storage and of transportation to and from them. I am not pleased to hear the minister explain at such length and with such emphasis the additional benefits that will be conferred by reason of the elevators offering more than simple storage. It seems to me as if he were discounting a possibility of higher charges for the additional advantages that we all hope will come from the construction of these elevators. I have said before, and I am going to take the liberty of saying again, that in the face of a falling world's market of wheat; in the face of increase of production in new and competitive countries, if we are going to stay in the wheat business, we must cut our costs to the bone. This is not a matter concerning only the farmer of the West; it is a matter concerning everybody in Canada whose business is dependent directly or indirectly, in whole or in part, upon the success and expansion of wheat growing on the western prairies. If it is possible for the minister to cut the cost of storage; if it is possible for him to cut the expense connected with these interior storage elevators, it is his duty to do so, in the interests not merely of the farmers but of the Dominion of Canada as a whole, in order that there may be a further expansion of the wheat-growing industry on the prairies and in order that the wheat growers of the West may be able to compete in the markets of the world under the adverse conditions which are increasing from season to season. I say it is his business to cut those costs absolutely to the bone, and it is not going to meet the case to say that such and such charges prevail some place else; that there are going to be special advantages in the use of these elevators and that the farmers ought, therefore, to pay an extra special charge. If the purpose of the Government in making these expenditures and in providing these facilities is to be reached, there must be a cut of costs absolutely to the minimum.

In connection with the cost of use of these elevators, let me refer to the back-haul to which the minister himself has alluded. The elevators at Saskatoon and at Moosejaw are situated about midway in the province of Saskatchewan from east to west. Very much more wheat is raised in Saskatchewan east of Moosejaw and east of Saska-

toon than west of Moosejaw and west of Saskatoon, therefore if the elevators at Saskatoon and Moosejaw are to be used by the wheat growers living to the east of them an additional haul to market—the back-haul of which the minister spoke—is involved. I am not dictating as to what can or what should be done, but it is perfectly clear that in respect of the wheat of eastern Saskatchewan, which has to pay a back-haul to get the benefit of these elevators, unless there is some special advantage in connection with the freight rates, these elevators are going to be of very little use to that part of the province of Saskatchewan which raises the largest proportion of the wheat of the province. This special advantage would mean a cut below the ordinary rate in respect of the wheat taking this back-haul. I do not know whether or not that is possible; I am not going to discuss that point. I merely point out that unless something of that kind is done, considerably more than half the wheat grown in the province of Saskatchewan cannot get the benefit of those elevator facilities at Saskatoon or Moosejaw excepting at a prohibitive cost.

I am sorry that the minister is not able to give us the charges that he proposes to impose for the use of these elevators. The hon. member for Huntingdon has said that there is a milling-in-transit rate on the railroads which would be available to the elevators. That is quite possible. I know that there is a milling-in-transit rate, but I also know that special charges might be be levied on grain for storage which is not levied in the case of grain for milling. There is always the posibility of an advance to the disadvantage of a new institution. I wish to emphasize the necessity, in the interests of the Government, in the interests of the reputation of the Dominion, in the interests of the country at large, and in the interests of the farmers, that this matter of cost should have the fullest attention of the minister and that the cost should be cut absolutely to the bone.

On section 2—S. 121 amended:

Mr. ROBB: Will the minister explain the effect of putting 123 under the same classification as 122?

Mr. G. E. FOSTER: Putting 123 in clause 121 will bring public elevators in the East under the same supervision and control of the Grain Board as those in the West and as terminal elevators are under. A public elevator, as my hon. friend knows, is one that receives for storage and transit grain which has been certificated at Fort William, and which passes through on its way to the ultimate market. It has been felt for a number of years, and the Grain Commission have been very insistent on this, that there should be more supervision and control over the grain after it leaves Fort William and until it reaches the seaboard. The purpose of the inclusion of section 123 in clause 121 is simply to give the same authority and supervision and control over the eastern public elevator as there is over the terminal elevator. The purpose is to endeavour to keep intact the quality of the grain as it is certificated at Fort William or Port Arthur until it reaches the ultimate market.

Mr. ROBB: As I understand the section reads:

> No person owning, managing, operating or otherwise interested in a terminal elevator shall buy or sell grain at any point in the eastern or western inspection division.

As I understand, if this clause is adopted owners of public elevators will come under this prohibition, they will be deprived of the privilege which they now have of buying grain in the western division. Is that right?

Mr. G. E. FOSTER: No, you will see exactly in subsection 2. Subsection 1 is the general prohibition. In subsection 2, you have four clauses which have relevancy to and modify subsection 1. That was found to be necessary in order to carry on the practical working of the terminal and public elevators in the West. Subsections A and B show the modification to subsection 1. These exceptions only apply with the approval of the Grain Board. For instance, we have in the East, as public elevators, railway elevators, Government Harbour Commission elevators and Government elevators, the latter at Port Colborne, St. John and Halifax. We have also public elevators which take the grain carried from the West, as certificated, and which are now operated by neither of these three different kinds of authorities. That is, they have now the authority to take in this grain from the West, certificated at Fort William or Port Arthur, and to put it into elevators in which is also stored grain that they buy. Objection is taken to their being allowed to do that without any supervision. Now, before that can take place the Grain Board have to make an examination and

satisfy themselves with respect to all the conditions, as well as to the personality of the public elevator. If they are satisfied and approve, the business of the elevator goes on exactly the same as in the terminal and public elevators at Fort William and in the West.

Section agreed to.

On section 3—exception in case of terminal elevators:

Mr. G. E. FOSTER: Section 3 is simply the exception of terminal elevators from the car clause. It would be impossible to carry on the work of a terminal elevator at Fort William under the restriction of the car clause. The clause that will govern them will be No. 133.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

On section 3—terminal elevators:

Mr. KNOWLES: The section which, of course, is really an amendment to the begining of section 195, and which is called 194a, provides that:

> The provisions of sections 195 to 207, both inclusive, shall not apply to elevators licensed as terminal elevators.

I suppose the minister intends to make the elevators at Moosejaw and Saskatoon terminal elevators under a declaration by Order in Council?

Mr. G. E. FOSTER: They must be terminal elevators.

Mr. KNOWLES: In paragraph y of the interpretation section it is provided that:

> Terminal elevator includes every elevator or warehouse which receives or ships grain and is located at any point declared by the Governor in Council to be a terminal.

Under this section 3 there is nothing to prevent every elevator at Saskatoon and Moosejaw becoming terminal elevators because every elevator, just as well as the Government elevator, will be an elevator which receives and ships grain and is situated at a point declared by the Governor in Council to be a terminal. The Governor in Council will declare Saskatoon and Moosejaw to be terminal points and this clause says then that every elevator which is situated at these points shall be a terminal elevator. Consequently, it would look as if the local elevators in Moosejaw and Saskatoon would not come under sections 195 to 207, namely, the clauses in regard to cars and the car order book.

Mr. G. E. FOSTER: I think there is a point in that which I did not notice. I would suggest that we pass the clause and I will not push the Bill to the third reading, but I will have this matter looked into so that if anything is necessary to guard it I can introduce it as an amendment.

Bill reported.

REGULATION OF EXPLOSIVES.

On motion of Hon. Louis Coderre (Minister of Mines), the House went into Committee on the following proposed resolution, Mr. Blondin in the chair:

> Resolved, that it is expedient to regulate and control the manufacture, importation and use of explosives and the construction, licensing and inspection of premises used for the manufacture and storing of explosives, and to provide for the making of inquiries where an accidental explosion has occurred.

Mr. OLIVER: This is a resolution that, no doubt, is important, and there are a number of members who would like to be informed in regard to it. There are very few in the House just now and we do not wish to delay the business, but if the minister will make a full explanation on the second reading of the Bill there will be no objection to it going through without the information being given now.

Mr. CODERRE: I will do that.

Mr. LEMIEUX: I would ask the hon. the minister if this resolution contemplates the avoidance of such accidents as happened a year or two ago at Beloeil? There was a powder manufactory at Beloeil and an explosion took place with the result that ten persons were killed. There is another powder manufactory on Ile Perrot. It is quite near the track, and I am often nervous when I pass that point on my way to Montreal. Does this Bill contemplate circumstances of that nature?

Mr. CODERRE: I shall be pleased, as requested by my hon. friend from Edmonton (Mr. Oliver), to delay the full explanation of this proposal until the second reading of the Bill. I would say to my hon. colleague from Rouville (Mr. Lemieux) that this resolution is to authorize the regulation and control of the manufacture, storage, testing, importation and transportation of explosives generally and the Bill which will be founded upon it proposes to do away, as far as possible, with such accidents as the one which he has mentioned. This is a most important measure. It should have been passed years ago. I remember that in 1911, my predecessor, Mr.

Templeman, brought a Bill before the House, a few clauses of which were passed. The accident which has been alluded to by my hon. friend from Rouville is not the only one that has occurred during the past year. I have here a list, based on information we have obtained from the Labour Gazette, of ninety-two fatal accidents in 1913 due to explosion in mining, railway construction and other employments.

Mr. LEMIEUX: The present Bill will deal with such conditions?

Mr. CODERRE: I think so.

Resolution reported and concurred in.

Mr. CODERRE thereupon moved for leave to introduce Bill No. 189, to regulate the manufacture, testing, storage, and importation of explosives.

Motion agreed to, and Bill read the first time.

CANADA TEMPERANCE ACT AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice), Bill No. 180, to amend the Canada Temperance Act, was read the second time and the House went into Committee thereon, Mr. Blondin in the Chair.

Mr. DOHERTY: The first purpose of the Bill is to make the Canada Temperance Act of practical application in the provinces of Alberta and Saskatchewan. The second purpose of the Bill is to obviate a difficutly which has arisen in connection with elections under the Canada Temperance Act in the unorganized territories of Ontario. The law at present says that the persons entitled to vote upon an election for the adoption of the Canada Temperance Act, are the persons who would be entitled to vote in Dominion elections, and in order to hold an election under the Canada Temperance Act it is necessary that there should be a list in force for the purpose of a Dominion election. The law provides that in the unorganized territories an electoral list shall be made every year unless the Governor in Council dispenses with the making of such list, and it has been usual for the Governor in Council to so dispense with the making of the list in years other than that in which a general election is anticipated. Consequently, in certain cases it was necessary to make a special list for an election for the adoption of the Canada Temperance Act, and inasmuch as the list so made must be suitable for use at a Dominion election, even where only a small part of the riding would be included in the district in which it was sought to bring the Canada Temperance Act into force, it was found to be necessary to make a list for the entire riding. This entailed additional and useless expense, and the purpose of the amendment is to provide that in such case the list may be made to cover only that part of any riding included in the district in which the Temperance Act is sought to be brought into force. It is provided that such list shall be applicable for the purposes of that election only, and shall not be used in the event of a Dominion election becoming necessary in that riding. It was considered undesirable that in a Dominion election in the riding part of the list should be made at one time and part at another.

It is farther sought to amend the law so as to remove doubt as to the jurisdiction of the Superior Courts to hear contestations of the validity of elections held under the Canada Temperance Act. I would not be inclined to think that the doubt as to the jurisdiction was very serious, but as the question had arisen it was thought wise to remove any doubt. In connection with the lists there was also found another difficulty which is sought to be remedied by an amendment which I intend to propose to the Bill as introduced. The Canada Temperance Act provides that twenty-five per cent of the qualified voters shall petition for the ordering of an election under the Act. In districts composed partly of organized and partly of unorganized territory, difficulty has arisen from the fact that in the unorganized territory there was not in force in certain cases any list of electors which would enable the Secretary of State to determine whether or not the petitioners were twenty-five per cent of the electors in that unorganized territory. The amendment will provide that in such case, for the purpose of determining whether or not there are twenty-five per cent of the voters in the unorganized territories who have signed the petition, the Secretary of State shall take the number of voters who were on the last list in force in that territory as being the number whereof twenty-five per cent must sign the petition. This is made subject to the exception that in cases where it may be demonstrated that there has been a noted diminution in the population of the unorganized district since the making of the last list, then twenty-five per cent of the persons who can be shown to be living in the district will be sufficient.

Mr. KNOWLES: In Ontario, as I understand it, you cannot hold an election under the Canada Temperance Act, for a county, in such a way that the rural population would impose their wishes on the city population, or vice versa, in cases where there is a city included within a county. Am I right in that?

Mr. DOHERTY: I understand that the Act as it now stands provides for separate elections in cities and counties. The difficulty that arose in the western provinces was that there were no subdivisions of territory corresponding with the districts in which the Act provided that a temperance election might be held. The way in which that difficulty is sought to be obviated is by a provision that in those provinces the word 'county' shall mean a riding for a Dominion election. It makes the Act applicable, and at the same time obviates any difficulty about the lists, because a county for the purposes of the Canada Temperance Act will be the county for the purpose of a Dominion election, and naturally the same voters' list will be applicable.

Mr. SINCLAIR: Will the minister tell the House in how many counties in the Dominion the Canada Temperance Act is now in force?

Mr. DOHERTY: I am not in a position to give that information. Perhaps I should have anticipated that question, but I did not anticipate it.

Mr. KNOWLES: Can the minister tell me whether my information is correct or not? I am informed that, say in a county in the province of Ontario, in which there is a small city and a large rural vote, in the city there may be a majority of people who do not approve of the bringing of this Act into operation, while in the rural district there may be a large majority approving of it. In such a case will the rural people have the power to impose their wishes on the urban people?

Mr. DOHERTY: Perhaps the best way to answer the hon. member is to give him the definition in the statute. Under section 2, the interpretation section of the Act as it stands, we have this provision, which I think answers the question:

> In this Act, unless the context otherwise requires, 'county' includes every town, township, parish and other division or municipality, except a city, within the territorial limits of the county, and also a union of counties united for municipal purposes.

I should say that under that provision, in an election held for a county, which includes a city, the city would not be included in the county.

Mr. W. F. MACLEAN: But a town would?

Mr. DOHERTY: Yes, a town would. Everything that was not a city would be included.

Mr. KNOWLES: The amendment in regard to the provinces in the West will be subject to the same exception; or, in other words, our cities in Saskatchewan will be masters of their own destinies in this matter?

Mr. DOHERTY: I am afraid that the amendment as drawn will not meet that requirement. The provision in this Bill is that:

> As respects the provinces of Manitoba, Saskatchewan and Alberta, 'county' means the electoral districts therein as designated by the Representation Act.

In that respect this definition differs from the definition of the word 'county' as given generally. That, however, is already the law as regards the province of Manitoba. The present provision of the law as respects the province of Manitoba is:

> 'County' means the electoral districts therein as designated by the Representation Act.

And we are now making applicable to Alberta and Saskatchewan the law as it stands with regard to Manitoba. If the hon. member thinks it desirable to make the same distinction with regard to these provinces, I am quite prepared to consider his suggestion.

Mr. KNOWLES: I am not very familiar with the matter; the minister knows it better than I do; but if we are thoughtlessly making one law for Ontario and another law for Saskatchewan, we may be in error. On the face of it, I have grave doubts whether it will be in the interest of temperance, say in the West, where we have a very large rural population, if we can take a constituency including a city, because the city may consider that the prohibition of liquor is not desirable, and that it can not be successfully operated, whereas the county people may hold the opposite view, and may be able to impose their views on the city. I am not at the moment placing myself on record either as in favour of the amendment or as against it; but if we are making legislation for one province different from that in another we should do so knowing that we are doing it and why we do it.

Mr. DOHERTY: It is a question of assimilating the law in Saskatchewan and Alberta to that in force in Manitoba. At first glance one might be inclined to think that conditions in Alberta and Saskatchewan might be more similar to those in Manitoba than possibly to those in Ontario. I have not heard any suggestion that the law does not operate satisfactorily in the province of Manitoba, and I think that the same provision under the Act is applicable to British Columbia.

Mr. KNOWLES: British Columbia has a very small rural settlement as compared with Saskatchewan.

Mr. DOHERTY: If the hon. member, who is no doubt more familiar with the conditions in these two western provinces than I can pretend to be, thinks there will be a material advantage in assimilating the law in these two provinces to the law in force in Ontario, rather than to the law as in force in Manitoba, I shall be glad to consider the suggestion.

Mr. KNOWLES: I am not speaking after very much reflection; but I am rather inclined to think that what the minister suggests may be my view, so far as I can see now. The fact that Manitoba has a certain condition of affairs does not seem to be a strong argument why the law in force in Manitoba should be applicable to Saskatchewan. In fact, I would rather follow Ontario in this matter than Manitoba.

Mr. DOHERTY: The mere fact that a certain provision is in force in Manitoba is not a reason why it should be put into force in Saskatchewan, unless it appears that the provision as regards Manitoba is more suitable to Saskatchewan than the provision as regards Ontario. As I said a moment ago, at first glance one would be inclined to think that conditions in Saskatchewan and Alberta would be more similar to conditions in Manitoba than to conditions in Ontario. When the law was originally made with this distinction, I presume there must have been some reason for the difference, and I have not heard any representation upon the subject indicating any desire that we should differentiate between the law as applicable to Manitoba and the law as applicable to the other provinces. I do not want to be understood as saying that because it is so in Manitoba, it should be so in Saskatchewan and Alberta. It is entirely a question of what is most suitable for the two provinces.

Mr. KNOWLES: Would the word 'county' have the same meaning in the East as in the West? It is possible that this little discussion may be due to the minister's having given in his kindness an answer without giving the matter very much consideration. I am not sure that there is a difference. I asked the minister to put it beyond peradventure. I wondered if the minister had looked into it carefully enough to be positive in his opinion that a different condition of affairs does prevail in Manitoba from that in Ontario. I know that there is a debate on the subject. If the minister is sure on that point, I will let it rest; but if he gave a somewhat hurried answer, there may be an explanation, and even the Manitoba cities are the governors.

Mr. DOHERTY: My answer consisted in reading the statute, and that seems to be perfectly clear. I will read all that relates to this point:

> (d) 'county' includes every town, township, parish and other division or municipality, except a city, within the territorial limits of the county for municipal purposes;
>
> (e) as respects the province of Ontario, or any other province in which provisional or temporary judicial districts exist, 'county' includes such provisional or temporary judicial districts;
>
> (f) as respects the province of Manitoba, 'county' means the electoral districts therein, as designated by the Representation Act;
>
> (g) as respects the province of British Columbia, until the province shall have been divided into counties and a regular municipal organization established in each of such counties, 'county' means an electoral district therein in accordance with the division of the province for election of members of the House of Commons of Canada, and includes every town, township, parish and other division or municipality within the territorial limits of such electoral district, or within a union of electoral districts where united for municipal purposes.

It is possible, in view of this first general definition of 'county' excepting from it the cities, that that first disposition should be considered as applying to these counties as subsequently defined in the other provinces. I shall be glad to look into that matter. I am free to confess that I did not examine that question, because what was represented to us, and the only thing represented to us, was that it was desirable that we should insert a definition so as to make it aplicable to Alberta and Saskatchewan, without any expression of desire as to how it should be made to apply.

Mr. OLIVER: In my judgment, the provision which is applicable in Ontario whereby the city is excluded would be properly applicable in Alberta and Saskatchewan.

A city is incorporated by the provincial authority, and given independent powers for what seem good and sufficient reasons. The fact that it has been created a city, the fact that a certain place has been created a city by the provincial authority, means that the provincial authority desires to establish a separate control within that area; and it seems to me that it would be rather a mistake to ignore that plain intent of the provincial authority when creating a city. I would suggest that in applying the law to the electoral districts, the same exception be made as regards cities in Alberta and Saskatchewan as is made unquestionably in regard to Ontario and probably in regard to Manitoba.

Mr. DOHERTY: I shall look into the question, as I mentioned a moment ago. The definition of county which excludes the cities is not specially applicable to Ontario, but is a general definition. Then, we have provision with regard to Ontario, with regard to Manitoba, and with regard to British Columbia, and we shall have with regard to Saskatchewan and Alberta. I think it is quite possible that one should read the definition as applicable to all these specified cases, in which event the exception of the cities would be general. I confess I did not consider any question arising except that we should make this law applicable and workable in the two provinces. If we reach the conclusion that it is applicable, the Bill might stand as it is; if we reach a contrary conclusion upon what is represented, I do not see any objection to modifying the Bill so as to make the exclusion of the cities apply.

Sir WILFRID LAURIER: I was not present when this debate commenced, but I heard the hon. minister speak on the introduction of the Bill. So far as he has spoken, he has not given any information as to the raison d'etre of this Bill. Are we to understand that this Bill is asked for by the temperance organizations, or is there any demand in the western provinces for the change of the Act?

Mr. DOHERTY: Before the right hon. gentleman came in I had endeavoured to explain the reasons that brought about the proposal of these amendments. It has been represented by people interested in the temperance cause that the Act was not workable in Saskatchewan, and if I am not mistaken the hon. member for Edmonton (Mr. Oliver) but a few days ago referred in this House to this lack of provision in the Act making it workable in these two provinces. It is because it appears to us fair and right that a law intended to be of general application, and unworkable in these particular provinces simply for want of definition of those counties or districts in which the Act might be brought into force, ought to be so modified as to make it applicable throughout the country generally. The other amendments suggested in the Bill are the result not so much of representation from anybody as of difficulties that arise in the application of the Act and that have caused a great deal of trouble. One difficulty was to get a list for the purpose of an election necessary for the adoption of the Canada Temperance Act, where the whole or part—more particularly where part of the counties in which the election was sought to be held consisted of unorganized territory in the province of Ontario. As I explained, it was found that under the law as it stands, in virtue whereof persons entitled to vote in an election on the Canada Temperance Act are described as persons who would be entitled to vote at a Dominion election to be held at the same time, wherever a county for the purpose of the Canada Temperance Act included some part of an unorganized territory in the province of Ontario, the only method by which you could get a list applicable to that part which was comprised of unorganized territory was by making a list under the Dominion Elections Act, and it was considered, after careful examination, that you could only make a list for the purpose of the Dominion Elections Act by making a list for the entire Dominion riding. So that where, perhaps, but one-tenth part of the Dominion riding forming part of the county for the purposes of a Canada Temperance Act election consisted of unorganized territory, we were under the necessity of making a list for the entire riding, which entailed a very considerable useless expense. That was one difficulty. A second difficulty that arose also related to the unorganized territory—that in order that an election should be held in a county as it is defined in this Act, it is required that there should be a petition made by twenty-five per cent of the qualified voters. In that connection the difficulty was that where the county for temperance election purposes consisted partly of organized and partly of unorganized territory, we found ourselves in this position: when the peti-

tioner presented his petition it was easy enough to ascertain whether he had twenty-five per cent of the voters in the organized territory, because there was a list to which he could refer, but with regard to the unorganized territory it was exceedingly difficult, if not impossible, for the petitioner satisfactorily to establish that he had twenty-five per cent of the persons who would be entitled to vote at that temperance election when it came on, because the lists, being made only for the purposes of that temperance election, naturally would not be made until after the occasion for it had been shown by the presentation and granting of the petition for the election. It is mainly on account of the difficulties which I have mentioned with regard to the unorganized territory that the decision was arrived at to amend the Act. When we had decided to amend the Act, it was pointed out that in its present condition, as I mentioned a little while ago, it was not workable in these two provinces and we thought that we ought to meet that difficulty.

Mr. ROBB: In the preparation of this Act, has the minister taken into consideration the representations that were made to him in March, 1913, by Dr. Bazin, of Ormstown, representing the Temperance Association in the province of Quebec?

Mr. DOHERTY: The representations made by Dr. Bazin have certainly had the consideration which they deserved, both on account of their intrinsic merits and on account of the source from which they came. But the principal suggestion of Dr. Bazin looked to a much more fundamental amendment of this Act than anything which is suggested here. In fact, one could hardly call it an amendment to the Act; it was the suggestion of an entirely new procedure with regard to the adoption of the Canada Temperance Act. I am speaking now solely from memory, but I do not think that I am mistaken. The principal suggestion of Dr. Bazin was that at every general election we should simultaneously submit, all over the country, I understand, the question whether the Dominion Temperance Act, or prohibition in some shape, should be adopted. That, of course, is a proposition that, I think, calls for more serious consideration than any of the amendments which it is now proposed to make to the Act, which look merely to the making of the Act more workable than it is under present conditions.

Mr. CARROLL: I would like to bring to the attention of the minister what seems to me to be an anomaly in the Act. Any city situated in a county which brings the Canada Temperance Act into force is excluded from the operation of the Act, but if a municipality should receive a city charter after the coming into force of the Act, the newly-created city is in the same position as the whole county and is not excluded from the operation of the Act. If it is the intention of the legislation to exclude all cities from the operation of the Act, the Act should be amended to provide that when a civic corporation receives a city charter after the coming into force of the Act in the county in which it is situated, that city shall be excluded from the operation of the Act. The Supreme Court of Nova Scotia, on certiorari application, decided that civic institutions receiving city charters after the coming into force of the Act in the county in which it was situated, should come within the operation of the Act.

Mr. DOHERTY: I do not understand that the Canada Temperance Act provides that you cannot pass it in a city. What it provides is that when you pass it in a county the city shall be excepted, but the city may pass the Act for itself. The purpose is not to say that the Scott Act shall never be enforced in any city; the purpose is to prevent cities from being controlled by the rest of the county in which they are situated.

Mr. CARROLL: But that is not exactly the point I am making. The Act as it now stands provides that when the Canada Temperance Act is brought into force in a county in which there is a city, that city is excluded from the operation of the Act.

Mr. DOHERTY: It is provided that the city shall not be bound by the proceedings and the voting of the county.

Mr. CARROLL: Exactly so. If a town receives a city charter after the county in which the city is situate is brought under the operation of the Act, the Act does not apply to that city. I think there should be something in the Act to make its application uniform in respect of cities growing up in counties in which the Canada Temperance Act is put in force. The mere fact that the county has voted to bring itself within the operation of the Canada Temperance Act should not provide that the Act shall apply also to a town which afterwards receives a city charter, especially in view of the fact that that town would be exempt from

its operation if it were a city at the time the county came under the operation of the Canada Temperance Act.

Mr. DOHERTY: It may, perhaps, be desirable to make some provision to enable the city to be included in the country, because it has become a city, to withdraw itself from the operation of the Act, but I do not quite see that because something that was part of a county at the time the election was held, and therefore bound, as part of the county, by the result of the election in the county, should, by the mere fact that it becomes a city, cease to be under the operation of the Act. That would be a proposition which, I think, ought to be acceded to if the provision of the law was that the Act was never to apply in cities. But that, as I understand it, is not the provision of the law. The Act may be enforced in cities if it is properly brought into force. Where the Act has been properly brought into force in a territory which at the time is not a city, but which subsequently becomes a city, the fact that that portion of the territory has become a city does not alter the fact that the Temperance Act has been properly brought into force within it. Whether, because it has become a city, it should be given some exceptional method of relieving itself of the condition with regard to the Temperance Act in which it was before it became a city is, no doubt, a matter that deserves consideration, but it does not, at first glance, seem to me that it goes without saying that merely because it has become a city, it ought to be relieved from a condition which it, in common with the rest of the county, had imposed upon itself.

Mr. CARROLL: I would think that there is no provision in the Act which would allow that new city, which received its charter after the Act came into force in the county, to exempt itself from the operation of the Act. There is where the difficulty comes in. If it were the intention of the Act to have one law for the city and another for the county or to give the city the option of having the law, no matter what the county may decide, there should be something in the Act to provide for new cities that may arise. I am arguing the matter merely from the standpoint of uniformity in the law. In the city to which I have special reference they could not bring into operation a license system as the Act stands now. They would have to be bound by the action of the county when it had perhaps one-third the population of the city to-day.

Mr. DOHERTY: The hon. gentleman will realize that his suggestion has no direct relation to the amendment sought to be made, and I have to confess it is the first time that that matter has been brought to my attention. I would require to consider it further before determining whether or not legislation should be introduced to meet the difficulty. The present amendment looks simply to providing voters' lists and to making the Act workable in provinces in which it is not now workable. I shall be very glad to consider the suggestion made and see whether it really calls for a remedy, and what would be the proper remedy.

Mr. WRIGHT: We might take it for granted that, in a county in Ontario, Quebec, or any province where there are counties, or in a constitutncy in the western provinces, where the Act has been brought into force, the city included in the county had voted in favour of the Act. But, if not, the city would have its own remedy: it could get up a petition and have a re-vote.

Mr. CARROLL: It could not.

Mr. WRIGHT: In that way it could take itself from under the jurisdiction of the Act. If that is not possible, an amendment to the Act giving that power could easily be drafted. I do not think, however, that any town should be able to remove itself from the operation of the Act simply by forming itself into a city. A certain population should be defined for a city. In the West, for instance, we know of certain places of two thousand population suddenly becoming cities.

Mr. KNOWLES: Five thousand is the law.

Mr. WRIGHT: I would refer my hon. friend to Weyburn, which has only two or three thousand.

Mr. KNOWLES: That is a place of seven thousand.

Mr. WRIGHT: If we are going into this system, it should be confined to cities of ten thousand population.

Mr. OLIVER: Subsection (c) of clause 2, reads:

> In the provinces of Manitoba, Saskatchewan and Alberta, in any registry office or in any sheriff's office in the respective electoral districts.

I suppose that is in relation to the posting of notices in connection with the holding of elections. In Alberta and Sas-

katchewan there are a number of electoral districts in which there is no sheriff's office, or registry office, and some other provision must be made to meet that case.

Mr. DOHERTY: Is there not
4 p.m. a sheriff in each county?

Mr. OLIVER: These are Dominion electoral districts, in some of which there is no sheriff.

Mr. DOHERTY: I realize the difficulty, and would be very glad to meet it. What is desired is to get some place where notices could be posted where they would get the greatest possible publicity. Perhaps the hon. gentleman could help me in this regard.

Mr. OLIVER: I think the matter would have to be left to the decision of the officer of the Dominion Government. I do not know of any office that you could depend on being located in any particular constituency that would have particular prominence. A Dominion lands sub-office would be quite prominent, but there might be constituencies in which there would not be one.

Mr. BUCHANAN: In regard to the clause providing for the electoral districts being designated as counties for the purposes of this Act, I would point out that under redistribution, if it goes into effect, cities in western Canada will be divided. We shall have Calgary east and west and Edmonton east and west. This measure might be adopted in the east half of the city, which would go dry, while the other part of the city would remain wet. How would the minister deal with a case like that?

Mr. DOHERTY: If, on more careful examination, the conclusion should be reached that the city is included in the county for purposes of this Act as the law now stands, I shall amend this Bill so as to exclude the city and let the city in these provinces stand, as in the other provinces, as a distinct entity by itself, which, as such distinct entity, will adopt or not adopt the Act upon its own decision.

Mr. WRIGHT: Will the hon. Minister of Justice confine that to cities with 10,000 of a population?

Mr. DOHERTY: In regard to our making a modification as to the population of cities which should be excluded from the counties, that is another proposition which looks to modify what I might call the substance of the Canada Temperance Act. I have not considered that question at all. These amendments in the procedure of the Canada Temperance Act were urged upon us as being immediately necessary. We have not had any suggestion in regard to what population should be necessary to exclude a city. It seems to be evident that we shall not be able to finish the Bill without a further consideration and I shall be very glad to consider the suggestion and see if it is possible to comply with it. It has been suggested to me that permission to post the notice in a post office might meet the point which has been raised.

Mr. OLIVER: Yes, the post office will be all right.

Mr. DOHERTY: We might add 'or in any registry office, or in any sheriff's office or, failing such, in any post office'. I suppose it will be preferable that where there is a registry or sheriff's office it should be posted there?

Mr. OLIVER: Yes.

Mr. KNOWLES: I think it would be better where there is no registry or sheriff's office that the petition should be sent simply to the Secretary of State and let him direct the place where it shall be posted.

Mr. DOHERTY: We might provide that it shall be posted as may be designated by the Secretary of State.

Mr. KNOWLES: Let the man simply send his petition to the Secretary of State, and let the Secretary of State say as to the posting of the notice.

Mr. DOHERTY: I would think that suggestion better than the one in regard to the post office. I shall try to make an amendment to meet that. I beg to move that section 2 be amended by adding at the end of subsection c, the following:

Or, if there be no such registry office or sheriff's office, then in such place as may be designated by the Secretary of State for the purpose.

Section as amended agreed to.

On section 5—publication of notice in newspaper:

Mr. GRAHAM: Why does it prescribe that the notice shall be published in a newspaper 'at or near' the city? Why not say 'in' the city?

Mr. DOHERTY: We can almost absolutely count on every city having a paper, but it must be drafted to meet the possible case of the paper not being published

actually in the city. I do not know that we can take it for granted that all our cities have newspapers; they certainly ought to have.

Mr. GRAHAM: Legally, suppose a man puts the notice in a newspaper published fifty miles from a city; would that be near the city? Under this Act he is not compelled to put it in a newspaper published in the city; he could put it in a paper published elsewhere.

Mr. DOHERTY: There would be no objection to amending it so as to provide that it must be published in a paper in the city.

Mr. GRAHAM: If there be one.

Mr. DOHERTY: If there be one, or if there be not one, then in the nearest place. I would move that section 5 be amended by striking out the words 'at or near' in the 41st line and substituting the word.'in'.

Mr. WRIGHT: I presume that this Act may be submitted to the electors in municipalities in which there is no newspaper published, and I think the notice ought to be in some newspaper in the county or district in which the vote is taking place even although it is not near the city. I think that the nearest newspaper ought to have the opportunity of publishing this notice if it is going to be of any benefit to the electors.

Mr. DOHERTY: The intention is that the notice of the contestation of the election shall be published for two weeks in two newspapers published at or near the city or the county in which the vote has taken place, or if there be no newspaper published in such city or county, then in the nearest newspaper. I move:

That the section be amended by inserting in the forty-second line, after the word 'place,' the words:

Or if there be but one newspaper published in the city or county then in that newspaper, and in a newspaper whose place of publication is nearest the said city or county; or if there be no newspaper published in said city or county, then in two newspapers whose place or places of publication are nearest said city or county.

Mr. PROULX: The section does not say in what language the notice should be published. In provinces in which the English and French languages are official, I suppose the notice should be published in both languages.

Mr. DOHERTY: That is a reasonable suggestion. We might perhaps say that in the province of Quebec it should be published in both languages.

Mr. PROULX: In Manitoba both languages are official.

Mr. DOHERTY: I would move that the following words be added to the amendment:

Such publication to be made in the French and English languages in cities or counties wherein there is a newspaper published in each of these languages.

Section as amended agreed to.

Mr. DOHERTY: I move that the Bill be amended by inserting in section 2 the following subsections:

2. If in any city or county or any part thereof there are no voters' lists which could be used for the purpose of this Act, the petition shall have appended to it the genuine signatures of one-fourth in number of such persons as are voters or who possess the qualifications of voters, other than being on the voters' lists, for such city or county.

3. For the purposes of this section the number of voters in any city or county in which or in any part of which there are no voters' lists which could be used for the purposes of this Act shall be:

(a) Where there are voters' lists in force for part of such city or county, the number of voters on such lists, together with the number of voters who were on the last voters' lists that were in force in the rest of such city or county;

(b) Where there are no voters' lists in force in such city or county, then the number of voters that were in the last voters' lists that were in force in such a city or county; or

(c) Where there are no voters' lists in force in the whole or any part of any city or county, such number as is established to the satisfaction of the Secretary of State as being the total number of persons who possess the qualifications of voters for such city or county, other than that of being on a voters' list.

The purpose of this amendment is to meet the situation where the Secretary of State has to determine whether he has 25 per cent of the voters who have signed the petition, and where in whole or in part there is no voters' lists for the districts in which the election is to be held. In the case where the absence of the voters' list is only partial, he is to take as the total number of voters the total number of voters on the existing voters' lists, plus the total number of voters that were on the last existing voters' list for the portion or district of the county for which there is no voters' list. Where there are no voters' lists for the whole of the county, he takes the number of the voters that were on the last voters' lists. Finally, as an alternative to that, if there be reason for it, he may take what is proved otherwise to be 25 per

cent of the people who are actually entitled to vote. The purpose is to avoid the necessity of this last requirement in all cases, and to facilitate the establishment of the 25 per cent wherever it can be done by reference to the last existing voters' lists.

Amendment agreed to.

Mr. DOHERTY: I beg to move to amend the Bill further by adding to section 5 at the end thereof the following:

No such action shall be commenced until the plaintiff has given security for costs to the satisfaction of the court in which he proposes to bring his action, and no such action shall be brought after the expiration of one year from the date of the polling.

This is the requirement that any person contesting the election shall give security for costs to the satisfaction of the court, and furthermore to put a limit of time within which the contestation may be made.

Mr. PROULX: Does not the minister think a year is a little long?

Mr. DOHERTY: I am not quite sure but that it is a little long.

Mr. PROULX: I think six months is sufficient.

Mr. W. F. MACLEAN: It is thirty days in our Election Act.

Mr. DOHERTY: I have no objection to accept my hon. friend's (Mr. Proulx) suggestion.

Mr. PROULX: Six months is ample time to get all the information necessary to contest an election.

Mr. DOHERTY: I think so, and it is desirable that there should not be too long a period during which the matter will be unsettled.

Amendment as amended agreed to.

Mr. PROULX: There is another section which gives jurisdiction to the Superior Courts of Record. Perhaps it would be just as well to give the county court judges jurisdiction in these matters. They are amply qualified to try these cases, which are mostly questions of fact.

Mr. DOHERTY: I do not want to suggest that the county court judges are not qualified to try these cases, but these are undoubtedly matters of importance concerning which sometimes a good deal of popular feeling arises in one way or another. Under the circumstances it seems desirable to leave these matters to the high court judges. Another reason is that, if we give jurisdiction to the county court judges, we cannot establish the same jurisdiction throughout the country, because we have no county court judges in the province of Quebec.

Section as amended agreed to.

Mr. DOHERTY: Before the Bill goes to third reading I shall get this question about the exemption of cities cleared up; and if it is necessary to obtain that result I will take such proceedings as may further be necessary to amend the Bill.

Bill reported.

IRRIGATION ACT AMENDMENT.

The House again in Committee on Bill No. 138, to amend the Irrigation Act.—Mr. Roche. Mr. Blondin in the Chair.

On section 5—minister may permit diversion of water:

Mr. BUCHANAN: It has been pointed out to me that this clause will affect certain litigation between the users of the Canadian Pacific Railway irrigation ditch in the vicinity of Strathmore in their action against the Canadian Pacific Railway Irrigation Company. The reason is that this legislation is made retroactive. I have been asked to urge upon the minister that the users of water should still be given the privilege of carrying on their action against the company. In this connection I might read a letter which I have received which probably will explain the case a little more clearly than I can. This is from the chairman of the Test Case Committee. As the minister knows there has been a good deal of difficulty in that part of the country with the Canadian Pacific Railway Irrigation Company:

You will notice on page 3, '20 F,' provisions for the minister being permitted to issue permits to persons or companies to divert and use water during the construction period, and in section 15 it provides for actions applying to all cases where the minister has given permits, which it appears to me is to authorize what the minister has already done which had not previously been authorized.

Now, they want to avoid that, they ask to be left to fight out their dispute without any retroactive legislation—that is they do not want to have their interest impaired in any way by this proposed measure, and they claim that it will interfere with their

interest in that respect. There is a good deal of strong feeling in that district over the treatment received by the farmers who have purchased land from the Canadian Pacific Railway Irrigation Company. As the minister knows, there has been difficulty over the reclassification of land. It is held that under the proposed reclassification that the farmers may be compelled to pay more than they should for the land they bought. This land that they bought was guaranteed to be irrigable, and they claim that, under the terms of the reclassification arrangement, lands which have proven to be non-irrigable, but which were sold as irrigable and subject to irrigation from the time they were purchased, they will have to pay for at as high as $8 an acre, in addition to additional price. It has been represented to me, and I would like to place it before the minister, that this difficulty is serious in that particular district. There is a great deal of feeling and a great deal of dissatisfaction. The demand is made by the Grievance Committee in that district that there should be a Royal Commission to investigate the charges made by the farmers against the Irrigation Company before the Government takes any action in regard to the reclassification of the land. It is also pointed out to me that officials of the department are addressing letters to farmers in that district advising them that it is in their best interests to sign up a new contract with the Canadian Pacific Railway Irrigation Company, in which there are provisions with regard to reclassification which would bring about further charges upon the farmer. Of course, the company has its own side of the case—that the lands are satisfactory and the terms of sale are being carried out. But it has been represented to me by practical irrigationists, who have been in that district since the commencement of irrigation farming, that the condition of things was misrepresented, and that, under the proposed reclassification, they will be compelled to pay $8 more for their land, which it was claimed was irrigable land. I bring this to the attention of the minister, because this clause is objected to by the Test Case Committee. They prefer to be left in a position to carry on any action they may bring against the Irrigation Company, and they say that section would interfere with their rights.

Mr. ROCHE: It is not intended at all that this Bill should interfere in the slightest degree with those who have tracts from the Canadian Pacific Railway Irrigation Company, and I do not see how such an interpretation could be placed upon it. On the other hand, there have been instances where it would have been a very great hardship to have denied to an irrigation company—I am not now referring to the Canadian Pacific Railway Irrigation Company—the privilege of using a portion of their works before the completion of those works in their entirety. I am aware that considerable difficulty has arisen between the Canadian Pacific railway and the water users in the Canadian Pacific Railway irrigation tract. The matter was brought to my attention about a year ago. Representatives both of the company and of the farmers met me, and I decided, after hearing their representations, that it would be the part of wisdom that we should have a reclassification of those lands to see whether they were actually irrigable or not. At first the company protested strongly, and did not wish to submit to such reclassification. At that time the chief demand made upon the Government was either to institute an inquiry or have a reclassification of the land. We are now having a reclassification of these lands, the company having decided to submit to the request. The work of reclassification is being conducted by their officials as well as by engineers on behalf of the Government. This Bill will not interfere with any test case going on in the courts. For, as a matter of fact and practice, ever since the Act was put into effect in 1894, parties have been allowed to use their partially constructed works without taking out a license. This Bill is simply to legalize what has been done as a matter of practice hitherto. I may quote illustrations furnished me by the department to show the benefit arising from allowing an irrigation company to irrigate land before their entire works are completed.

Some years ago, in the early history of Moosejaw, that city obtained its water supply from Moosejaw creek, which flows through the city. This supply was never of a satisfactory quality, and finally became insufficient in quantity as well. Application was made by the city for permission to take a further supply from springs removed several miles from the city. This application was made in June, 1908. Authorization to construct the works

was issued in 1913, subject to the acquisition of the necessary right of way by the city. The city authorities constructed their works in advance of this authorization, but secured only part of the required right of way. It was absolutely necessary for the city to have a further supply of water from this particular source as soon as their works were sufficiently constructed to enable them to lay a pipe from this creek. No objection was made by the Government of the day or by this Government. The city has not as yet received a license to use the water from this source, solely owing to the fact that they have not as yet been able to secure their entire right of way. Nevertheless, they have been using water from this source during the last four years. The same thing is being done in connection with its water supply from Sandy Creek, near Caron. In this case the works are not yet completed, but so great has been the need of water that the partially completed works have been in use for some time, although, as yet, unlicensed. I could cite many other illustrations to show what a hardship it would be to prevent a permit being issued until the licenses were granted after the completion of the work. I can assure hon. gentlemen that it is not intended to interfere at all with any decision that may be given with regard to any test case that is now pending.

Mr. OLIVER: Looking over the correspondence which the hon. member for Medicine Hat has here, I see that it is the opinion of counsel that this legislation would interfere with a case now pending. Would there be any objection to putting a saving clause in the section, saying that it would not interfere with any litigation now in progress?

Mr. ROCHE: I have no objection to that.

Mr. BUCHANAN: The counsel for the people to whom I refer have made this statement:

> Disputes exist between the railway company and the users respecting the obligations of the users of water heretofore used and as this legislation is retroactive, the rights and liabilities that exist between the railway company and the users would be affected.

I sent a copy of the printed Bill to the committee and to the counsel, who makes this statement in a letter to the committee.

Mr. ROCHE: I think the objections urged would be removed by adding to section 5 the words:

> But shall not apply to any case with respect to which litigation is now pending.

Mr. McKENZIE: I am not familiar with the Act, but I would point out to my hon. friend that where a clause of that kind is inserted in a Bill, the wording usually runs this way:

> Nothing in this Act shall apply to any case with respect to which litigation is now pending.

The amendment suggested by my hon. friend says that nothing in this section shall apply to pending litigation, but there might be something in some other part of the Act which would militate against litigation now pending. If it is the intention of the minister that nothing in the Act shall apply to pending litigation, it is better to say so, and to make the provision to that effect the last clause in the Bill.

Mr. ROCHE: Any litigation now pending is subject to the existing Act. If we say that nothing in this Act shall apply to any litigation, I am afraid we would be going a little too far.

Mr. McKENZIE: That is not what I mean. I am talking about the Bill now before the committee; the hon. minister is referring to the original Act as amended. The hon. minister might make his amendment read: 'Nothing in the amending Act;' that would make the matter perfectly clear.

Mr. ROCHE: I have no objection to such an amendment.

Mr. MURPHY: May I suggest to the minister that the amendment as now proposed to this particular section should come in at the end of the Act?

Mr. ROCHE: All right.

Mr. BUCHANAN: I have here a statement from Mr. Henry Sorensen, of Strathmore, who is chairman of the Farmers' Combined Irrigation Committee, with regard to the reclassification of land. It is as follows:

> With regard to the reclassification as it is now being conducted you will notice in the document, which the farmers have been asked to sign, pledging themselves to accept the reclassification as it is being conducted by the Government, that each farmer will be asked to incur an additional expense of $8 per acre for drainage and other work in connection with the lands.
>
> Now this means in plain words nothing else but: that after the Canadian Pacific railway have charged men an exorbitant price for so-called irrigation lands and after the water has so deteriorated the soil that the lands are unfit for farming purposes the farmers are now to be put to an additional expense of $8 per acre to endeavour to put the lands into the same con-

dition as they were prior to being spoiled by the water.

That is the statement he makes in connection with reclassification, a statement which has also been made in other letters which I have received from the farmers of that district—that under this reclassification there will be an extra charge on certain of their lands of $8 per acre. I have here the forms of an agreement and a letter from the Superintendent of Irrigation under date of February 23, to a farmer in that district, which reads:

Department of the Interior.
Canada.

Ottawa, February 23, 1914.

Sir:

According to records filed in this department by the Canadian Pacific Railway Company, you have purchased from that company certain irrigable and non-irrigable land and have entered into an agreement with the company for the supply by it to you of water for the irrigation of the irrigable land so purchased.

The company has informed this department of the completion of the works for the irrigation of the western section of its irrigation tract and has asked for the issue of a water license. The Minister of the Interior has decided that, before the works as constructed can be accepted and before any water license can properly be issued in the company's favour, it will be necessary for the company's classification of alleged irrigable land to be checked and, where necessary, revised by departmental officials. The company will be required to file with the Commissioner of Irrigation such additional plans and other data as may be required by him in connection with the reclassification. When such plans have been filed the commissioner will have such examination made on the ground as may be necessary to determine the accuracy of the plans and where necessary will have a resurvey made. The company's classification will then be carefully checked and, if necessary, revised.

The company has agreed to accept and abide by the result of such reclassification and to amend and adjust all its sales-contracts and water agreements in accordance therewith. I am, therefore, to request you to state whether or not you are willing to similarly accept the result of the reclassification to be made under the direction of the Minister of Interior. There is no desire on the part of this department to interfere in any way with any rights which you may now possess under your existing contracts with the company and no effort will be made to induce you to sign any agreement against your own inclination. It is believed, however, that the signing of such an agreement will materially facilitate the settlement of the existing difficulties between the company and lessees of water.

The attached form of agreement is believed to correctly show the lands purchased by you from the said company and the essential facts in connection with your agreement to receive water from it for irrigation purposes. If you are prepared to accept the result of the reclassification of land to be made under the direction of the minister, I am to request you to sign and return to me at your very earliest convenience the form of agreement attached hereto, retaining one copy thereof. Your signature should be properly witnessed and sealed. Kindly advise me of your decision in this matter at your very earliest convenience.

Your obedient servant,
E. F. Drake,
Superintendent of Irrigation.

What was pointed out to me in connection with this letter was that the farmers object to the reclassification, that their demand has been for a Royal Commission to investigate the whole situation prior to any reclassification. I am now speaking of this particular association, and I would not say that this includes all the farmers of that particular irrigation tract.

5 p.m. I would again ask the minister if the case for a Royal Commission has been presented to him, and what decision he has come to in regard to it; and also whether the statement made here that this reclassification will mean an additional expenditure of $8 an acre to put the lands 'in the condition in which they were prior to being spoiled by water,' is correct. I may say that I know nothing about the case myself except what is in the letters I have received.

Mr. ROCHE: The writer of that letter was one of the deputation representing the farmers that asked for a reclassification of the lands by the Government; and the request for a Royal Commission did not come until subsequently. When I was in Calgary last September, this gentleman, together with a number of others, waited upon me and mentioned the question of reclassification and also a Royal Commission, but the Royal Commission was an afterthought. It was in accordance with the request of the farmers, that is the water users, those who purchased land from the Canadian Pacific railway upon irrigation conditions, that the Government undertook the reclassification of lands. It was the company who objected to reclassification. That letter which was sent out and which has been animadverted upon and upon which a strained interpretation has been put by the writer as to the Government trying to influence the people and get them to sign an agreement that they would accept a reclassification, was sent out owing to our desire to ascertain whether, when the reclassification had been made, both the company and the farmers would be prepared to abide by the result. There is no justification for the interpretation put upon the letter by this gentleman that the Government is try-

ing to influence the farmers. As a matter of fact, the letter distinctly states that the Government are not in any way trying to influence them. It is erroneous to say that by reason of the reclassification they will be called upon to pay $8 more an acre for their lands. They have their contracts with the Canadian Pacific railway. We have asked the company not to prosecute any litigation against any water users in arrears for rental until after a reclassification has been made. The company strongly objected to that, but we have impressed them with the necessity of foregoing action against the farmers pending the reclassification. The result has been that there have been no proceedings against the farmers. This will not mean an increase of $8 an acre for the land. If it is found that the Canadian Pacific railway's original classification was right, I presume the farmers will be subject to their contracts with the Canadian Pacific railway, whatever they agreed to pay for the land. If it is found that the lands have been wrongly classified, there will have to be a rearrangement and a new contract. It was for that reason that the letter was sent out. The Royal Commission which has been recently asked for, was not originally asked for; in fact, it was only asked for after the reclassification was under way. Very many of these farmers have agreed to sign an agreement that they will abide by the reclassification, probably in the proportion of three to one.

Mr. OLIVER: Could the minister say what seems to be the reason this writer has for saying that a reclassification will mean an increase in the cost of the land? As the minister explained, the man is simply writing nonsense, but surely he must have had some foundation upon which to base the idea.

Mr. ROCHE: Supposing they have a contract with the Canadian Pacific railway to purchase lands that are supposed to be irrigable and that the contract price should be, say, $24 per acre, if it turns out, as that gentleman says, that they are not irrigable, then he claims that they should be got for $8 per acre less. That is the only explanation I can give for the gentleman saying that they would be called upon to pay $8 more in the event of the reclassification upholding the Canadian Pacific railway's contention.

On section 8—use of irrigation works for the storage of water:

Mr. OLIVER: The question of administration would arise in applying this section and I think there should be a full statement as to how it is proposed to exercise the authority which the section will confer on the minister.

Mr. ROCHE: As the Act states, the amendments are for the purpose of preventing any person or company from enjoying a monopoly of the available water supply and more especially if that particular water supply is situated in an advantageous location in reference to ditches. The amendments, while so framed as to protect existing rights, will make provision for the use by others, or by the public, under the direction of the minister, of any works which are not being fully utilized by their owners or which can be advantageously enlarged so as to serve a more useful purpose. There might be certain seasons of the year when there is a drouth and a certain work is not utilized by its owners to its full capacity. Other parties desire to use the water and the minister takes power under this provision of utilizing this work for the benefit of persons who have no other opportunity of securing water privileges. To cite an instance: the Alberta Railway and Irrigation Company were requested to allow their works to be utilized in favour of other parties and they were so utilized. I think the proposal explains itself pretty fully. It sets out in detail how the relative costs are to be borne. It states that the minister may fix the amount of compensation to which the owners of the works so utilized are, in his opinion, entitled, and the amount that shall be paid to the owners of such works. The cost of maintaining these works shall be borne as between one applicant and the other and the owners of the works, as they existed before the enlargement, generally in proportion to the quantity of water which each is entitled to use. Where parties have works completed but not utilized to their full capacity it is provided that these works may be utilized on behalf of other parties.

Mr. BUCHANAN: There is a considerable waste of water from the works of the Alberta Railway and Irrigation Company. This water is carried away through the coulees. It has been represented to me that if an arrangement could be made by which this water could be stored it would be of great advantage to farmers and stock-raisers. I might mention the case in which a large quantity of water goes through the Chin coulee which might be stored. If some arrangement could be made with the Government or the irrigation company by which that water could be stored in a reservoir the

people in that particular district would derive a great amount of benefit especially for the watering of stock. At present the water which runs through the Chin coulee is not stored and it does not become of permanent value to the people in that district. The storage of that water would be no loss at all to the irrigation company but it would be of great value to the farmers and settlers there, especially for the watering of stock.

Mr. ROCHE: I understand that there is a waste of water down these coulees and I also understand that the company are now making arrangements, by way of the construction of a reservoir, to preserve that water. When the Chin coulee works are completed they will stop the future waste.

Mr. OLIVER: This section gives the minister very extraordinary authority over private property. Is there a precedent for that authority and, if so, where does it exist?

Mr. ROCHE: I do not know if there is a precedent but we felt that where works were being taken and utilized by the minister for the general benefit of the public he should have the authority to fix the compensation. I have no precedent in my mind for this authority but in what manner would my hon. friend suggest an alteration in the manner of fixing the compensation?

Mr. OLIVER: I did not know but that there was a precedent in some legislation elsewhere, which probably would be an indication as to the way in which the Act could be administered. The reason given for the desirability of this authority I will not question, but I still say it confers a very extraordinary authority upon the minister and I think that in a matter of providing compensation the minister is possibly taking a measure of responsibility that is not best for his own convenience or in the interest of the individuals concerned. Where the question of compensation comes in I would think there should be provision for arbitration, and in a case where one party materially alters the work of the other party, there is always a possibility of substantial damage being done to the new work, or of the new work being ill-conceived or ill-executed and serious damage suffered by the owner of the original work. There is no provision in the Act to meet such a case. I do not wish to stand in the way of the good administration of the Irrigation Act, but I take this opportunity of calling the attention of the minister to the fact that he is assuming very extraordinary powers here on his individual responsibility, and I think he would be well advised to give the matter more consideration than he evidently has given it up to the present time.

Mr. ROCHE: I am informed that there is a precedent for this in British Columbia, but I am not absolutely certain as to that. It is considered that the minister should take this responsibility, although he is not anxious to insist on any undue responsibility. First of all, the parties have an opportunity of coming together and deciding if at all possible as to the amount of the respective cost of the work that should be apportioned by their respective parties, but failing or delaying to agree the minister may fix the amount to be paid by each. It is only when the private users fail to amicably agree on the amount, that the minister is called in as an arbitrator. This Bill has been submitted to quite a number of persons in the West and in the East who are engaged in irrigation, and they thought this was quite essential.

Section agreed to.

Mr. ROCHE: I wish to amend section 4 of the Act by substituting the following:

Any water, the property of which is vested in the Crown may be acquired for domestic, municipal, ndustrial, irrigation, and other purposes including the granting of permission to establish dams, piers, booms and other necessary works in any non-navigable stream, to facilitate the passage of logs, timber, and other products of the forest along such stream.

By this amendment the word 'municipal' is added to the existing Act and the words beginning with 'including the granting of permission' down to the end of the amendment, are also added.

Amendment agreed to.

Mr. ROCHE: I have another amendment to propose. In the original Act Parliament clothes the Minister of the Interior and the Department of the Interior with all the powers and authority as to the expropriation of lands for irrigation purposes which the Minister of Railways and Canals and the Department of Railways and Canals enjoy with regard to the expropriation of lands for railway purposes. Subsequently, however, the Railway Act was amended so as to vest certain powers with respect to expropriation in the Board of Railway Commissioners for Canada. It has been held by some that the amendment to the Railway Act has curtailed to a certain extent the powers of the Minister of the Interior and the Department of the Interior with respect to the expropriation of lands

for irrigation purposes and the object of the amendment I have to propose is to re-establish, if it be necessary, their full authority over such matters without reference to the Board of Railway Commissioners. I am told by legal authorities that it really does not curtail our power but I desire to make it absolutely clear.

Mr. OLIVER: Is there any authority now vested in the Board of Railway Commissioners under the Irrigation Act?

Mr. ROCHE: Our law department states they have nothing at all to do with the expropriation of lands for irrigation purposes.

Mr. BUCHANAN: Is there any truth in the following despatch from Calgary which appears in the Citizen of this morning?

Calgary, Alta., May 11.—Approximately four hundred thousand acres of land in the southern portion of Alberta will be put under irrigation by the Dominion Government, or by the municipalities which obtain from the Government the right to operate a system of irrigation in the various districts, some time in the near future, according to the statement of F. H. Peters, irrigation commissioner for the Dominion with headquarters in Calgary.

Mr. ROCHE: I am informed that the department have made certain surveys north of Lethbridge to determine the character of the land and to see what quantity is available for irrigation; but we have no final report on the subject as yet, and we have not come to any decision regarding the matter. I do not know whether Mr. Peters is referring to that or not. He may be referring to the fact that in the very near future the 400,000 acres of the Canadian Pacific lands will be sufficiently advanced to be thrown open for settlers on the irrigation system. If he refers to the Government land, we have not any final report from the engineer as to the particular character and class of lands and where they are located. I believe they are north of the city where the hon. gentleman resides.

Mr. BUCHANAN: During last summer a survey was made of these lands north of the city of Lethbridge, near the Little Bow. I do not know exactly the locality of the lands, but I know there was a survey party there; and some of the settlers told me that they were talking to members of this party, and that it was intimated to them that the Government might establish an irrigation system in that particular district so that the farmers could get a supply of water from it under certain arrangements. The settlers are particularly anxious to get this water, especially in the district known as the Iron Springs district. The settlers say that the surveyors were in there examining the possibilities of supplying water to that country, and that the Government had in view the establishment of an irrigation scheme so as to supply the farmers who required it with water for irrigation purposes.

Mr. ROCHE: I have not any final report on that.

Mr. OLIVER: The question is: Has the Government in contemplation the establishment of a Government irrigation scheme in that particular locality?

Mr. ROCHE: The policy of the Government has not been discussed in regard to that matter at all; it has never engaged the attention of the Government.

Section agreed to.

Mr. ROCHE: I beg to move:

That the following words be added at the end of section 10:—Nothing in this amending Act shall apply to any case with respect to which litigation is now pending.

Section as amended agreed to.

Mr. OLIVER: Can the amendments made to the Bill be printed before the third reading? They are rather important.

Mr. ROCHE: Yes.

Bill reported.

JUDGES' SALARIES.

On motion of Hon. C. J. Doherty (Minister of Justice), the House went into committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, That it is expedient to amend the Judges Act, chapter 138 of the Revised Statutes, 1906, and to provide for the increase of the salaries of three Judges of the Superior Court of Quebec from $5,000 each per annum to $7,000 each per annum and to provide for the salary of an additional Judge of the said Court at $5,000 per annum; to provide for the salaries of three additional puisne Judges of the Supreme Court of Alberta at $6,000 each per annum; to provide for the salary of one junior County Court Judge for the province of Manitoba at $3,000 per annum; to provide for four additional District Court Judges for the province of Saskatchewan at $3,000 each per annum; to provide for the increase of the salary of the senior Judge of the Circuit Court of the district of Montreal from $3,600 to $5,000 per annum, and for the increase of the salaries of the three other Judges of the said Court from $3,000 each per annum to $4,500 each per annum.

Mr. BOIVIN: Who are the three judges of the Superior Court of the province of

Quebec whose salaries are to be increased from $5,000 each to $7,000?

Mr. DOHERTY: The three judges referred to are the judges who were appointed respectively for the district of Richelieu, Mr. Justice Bruneau; for the district of St. Hyacinthe, Mr. Justice Martineau; and for the district of Montcalm, Mr. Justice Chauvin.

Mr. LEMIEUX: The judge sits at Mont Laurier, in the district of Montcalm.

Mr. DOHERTY: With regard to the first two judges, the reason of this proposal is that the legislature of the province of Quebec, after consultation between the Prime Minister and Attorney General of the province and myself, as Minister of Justice, has provided that the residences of these two judges should be fixed in the city of Montreal, and that they should be expected to devote their entire time outside of their special districts to the service of the district of Montreal. This legislation was enacted after the Attorney General of the province and myself had both agreed that it would be desirable, in the interest of the proper administration of justice, that these two judges should be so transferred to that district. The operation, of course, required the concurrence of both authorities, because, while it is within the power of the legislature of Quebec to define the duties of a judge, and they may by so doing modify the position to which a man has been appointed, it is the function of the Government of Canada to appoint the judge to the position so created. It is to carry out this understanding arrived at that the provision is made with regard to these judges.

I may point out the particular advantage that results. It is undoubted that the services of outside judges, or, failing those services, the appointment of additional judges, are required in the district of Montreal. If this arrangement were not made, it would be quite open to the legislature, in the exercise of its functions, to provide for an additional judge or additional judges for the district of Montreal. If that had been done and two additional judges provided for that district, it would have imposed upon the country a charge of $14,000. Under these arrangements we get the services in Montreal for the bulk of the time of two rural judges at an additional cost to the country of only $4,000. With regard to the persons who are appointed to these new positions, this Government is quite prepared, in accordance with the understanding which has been arrived at, to assent to their appointment and recommend the voting of the salaries. With regard to the third gentleman, the situation which has brought about the present position is that under the legislation of the province of Quebec, so long as the court house was not finished at Mont Laurier, the new judge appointed to the district, Judge Chauvin, was to reside in the district of Ottawa. He was in reality in the position of a second judge in the district of Ottawa. The legislation as originally passed provided that when the court house was completed at Mont Laurier the judge was required to live in that district. That left the district of Ottawa with but one resident judge. It was represented to me and to the Attorney General of the province, that the work in the district of Ottawa required the services of two judges; and certainly, from what knowledge I had on the subject there could be no mistake about that. I was asked whether, if the legislation providing for an additional judge for the district of Ottawa were passed, I would recommend the salary of a judge. I pointed out that as there were a number of judges in the province of Quebec whose districts called for comparatively little work, it would be desirable, instead of adding to the number of judges, that the judge of some other district where the work was not very heavy should be asked to share the work in the district of Ottawa. That view was apparently accepted, both by the Bar of the district of Ottawa who made representations to me and by the Attorney General of the province who in consequence provided that the judge in the district of Montcalm should be a judge for the district of Ottawa, that, in addition to his own work in the district of Montcalm, which is not very heavy, he should give some of his time to sharing the work of the present incumbent of the district of Ottawa. The provinical Government and Legislature considered that the judge serving these two districts, instead of residing in one district and going to the other as occasion might require, could more conveniently reside in the city of Montreal. That is a matter with which this Parliament or Government is not concerned. Under the circumstances, here again is a case where by the combination of work we avoid the appointment

of an additional judge, which, in this case, would have involved $5,000. But as the two districts have been assigned to the one judge, it seemed reasonable that that judge should have more remuneration than a judge of but one rural district, and so it is suggested that Judge Chauvin should have $2,000 additional. So by this we economize $3,000, as by the other we economize $10,000.

Sir WILFRID LAURIER: As I understand it, three judges are increased from $5,000 to $7,000?

Mr. DOHERTY: Yes.

Sir WILFRID LAURIER: One being Judge Chauvin, the new judge of the district of Montcalm?

Mr. DOHERTY: Yes.

Sir WILFRID LAURIER: And who are the others?

Mr. DOHERTY: Judge Bruneau of Richelieu and Judge Martineau of St. Hyacinthe.

Mr. BUREAU: The Minister of Justice seems to be labouring under the impression that the rural judges can devote some of their time to either Montreal and Quebec, and for this reason two of these judges are assigned to Montreal at an increased salary. The rural judges receive $5,000 and the Montreal judges $7,000. I would like to ask the minister what is the basis of that salary distinction—is it on account of the work or is it on account of the higher cost of living in the larger cities? I may say that if it is on account of the amount of work, the judges in Three Rivers, as I have had occasion to say before, sit every day in the year except vacation, and even then they very often sit, and one has to be in attendance all the time. They have original jurisdiction in a wide range of cases; they hear appeals under municipal and school codes, and they sit as a court of review in the city of Quebec. They do not complain of the work. But I do not see why they should be discriminated against as they certainly are if the salary is based on the amount of work. If you were to divide the number of cases tried or the judgments rendered at Three Rivers by the number of judges there, and the number of cases tried and judgments rendered in Montreal by the number of judges there, you would find that there is more work done by each of the two judges in Three Rivers than by any individual judge in Montreal. So, I fail to see why they should not get the increase. If it is on the basis of the cost of living, then if that matter is investigated it will be found that the cost of living in Three Rivers is just as high in Three Rivers as it is in Montreal, if not higher. Then, as I have pointed out before, the judges in Montreal, being more numerous, have better opportunity to consult together. They have also a very large law library which is kept up by the Bar of the whole province, we may say, because all our students read in Montreal or Quebec and their fees on admission go to these libraries. Our judges have to subscribe for their own reviews, periodicals of jurisprudence and reports. Practically they must have their own library, for our Bar library is not extensive—we are only twenty-two or twenty-three in number in our district. I fail to see why these judges should not have an increase of salary to put them on the same footing as those of Montreal or Quebec.

Mr. DOHERTY: The reasons which led to making a difference between the salaries of judges of the Superior Court sitting in the district of Montreal and Quebec and those sitting in other districts must, of course have been known to those who established that difference. The present scale of salaries was established under a law enacted during the regime of the Government of which the hon. gentleman for Three Rivers (Mr. Bureau) was the Solicitor General, and I should presume that he would be in as good a position as any member of this House to indicate the reasons that influenced the Government of that day in making that distinction. For myself, speaking personally, if circumstances were such as to enable me to deal generally with the subject of the salaries of judges, I might be disposed to do more than is proposed to be done under this legislation. But this legislation accepts the situation, as regards the district of Montreal, which existed when this Government came into power and merely is intended to facilitate the appointment in cases where this Government feels justified in nominating particular judges in rural districts to be judges in a special way of the district of Montreal without being entirely separated from their own districts. We are not modifying the principle upon which the distinction was originally made. As regards judges generally, I might personally be disposed, if circumstances made it possible to do more than is done here. But that would involve dealing with the subject of judges generally,

not only in Quebec, but throughout the Dominion.

I am limiting myself to making provision for additional judges and, with regard to this particular matter, to meeting an arrangement come to on the part of the province and on the part of the Government by which we believe that the administration of justice in the district of Montreal may be improved and, at the same time, an economy effected. I am not in a position to deal with the suggestion that the judges at Three Rivers do more or less work than the judges in the district of Montreal.

Mr. BUREAU: The conditions that existed five or six years ago in the district of Three Rivers are vastly different from the conditions that exist there to-day. Since that time the population of the city of Three Rivers has jumped from eleven thousand to eighteen thousand. You know, Mr. Chairman, that the town of Grand Mere, which is in the district of Three Rivers, and which was a wilderness ten years ago, has now a population of 6,000 or 7,000. Industries are constantly springing up and water-powers being developed and no district in the province of Quebec has made such rapid strides forward during the last four or five years as has the district of Three Rivers. The judges in the city of Three Rivers have as much work to do as any judge in Montreal or Quebec. Besides, if it comes down to a question of the cost of living, it costs them as much—if not more—to live in Three Rivers as it costs the judges to live in Montreal or Quebec. The judge, as I have said, has the disadvantage of not having a library at his disposal, and he has to provide one out of his own funds. He has to sit in the Court of Review the same as the judge of any rural district, where the amount of work is not so great. They are sitting every day in the year except during vacation. I do not know why these men, who have to do this large amount of work and with living expenses as great as the living expenses of the judges in Montreal, should not get the same salary as the judges of the Montreal district. I am not talking about the other districts, because I know nothing about them, but I submit that under the circumstances no justifiable reason can be given for the difference between the salaries of the judges in the district of Three Rivers and those in the districts of Montreal and Quebec.

Mr. BOIVIN: I would like to direct the attention of the Minister of Justice to the fact that there is a judge residing in the city of Westmount, near Montreal, who was originally appointed for the district of Pontiac, with residence at Bryson. I understand that the provincial Government has authorized his residence at Westmount in the district of Montreal and asked him to exercise his judicial duties in that district when he is not required in the district of Pontiac. This, it appears to me, places him in very much the same position as the judges of the districts of St. Hyacinthe and Richelieu, whose cases have just been dealt with by the hon. Minister of Justice. This judge would not be included in this resolution, and I should be very glad if the hon. Minister of Justice would explain why this exception has been made. I believe the judge to whom I refer is Mr. Justice Weir.

Mr. DOHERTY: As I pointed out in dealing with the case of the judges of the Richelieu and St. Hyacinthe districts, the bringing about of a position whereby these two gentlemen enter upon the performance of the duties of the new position created by the legislature of Quebec and will become, if this resolution and the Bill based upon it be passed, entitled to this additional salary, involves action within the jurisdiction of the provincial Government and legislature and action which comes within the functions of the Government and the Parliament of Canada. The reason why the judge originally appointed at Pontiac does not figure in this resolution is that in regard to him there has been neither consultation with this Government nor action by it. The assignment of these judges to this new work involves an appointment going beyond the appointment granted by their original commission. It is the function of the Government of Canada to make those appointments; it belongs to the office of the Minister of Justice to make the nominations to those appointments. After looking into the conditions as to the locality of the districts of the two judges of Richelieu and St. Hyacinthe, from the point of view of proximity to Montreal, and after consideration of the qualifications of these gentlemen, I have come to the conclusion that I was perfectly justified in nominating them for these positions of wider usefulness and greater responsibility. Being ready to do that, and my nomination being acceptable to the Government of Canada, which must take the responsibility; we are proceeding accordingly. Not having been consulted at all about the arrangement which the legislature of the province of Quebec thought proper to

make with regard to the district of Pontiac, I was not, of course, called upon before it was made either to form or to express any opinion. After its having been made, it is quite true that it might be possible, if I as Minister of Justice were prepared to take the responsibility of the nomination and this Government were prepared to take the responsibility of the appointment, that we might appoint the gentleman who fills the position under his commission of judge of the district of Pontiac to this new sphere of action. Without going into any discussion that would in any way be derogatory to the gentleman concerned, after full consideration of the circumstances—in the first place, that the district of Pontiac is very remote from the district of Montreal and, in the second place, that there are a number of judges in rural districts much nearer to Montreal who could much more conveniently have been called to the performance of these duties—and after considering also the question of whether in my judgment, and upon my responsibility I ought to nominate this particular gentleman for the position, I have not been disposed to take the responsibility of making that nomination.

Mr. PROULX: Are these three judges whose salaries are increased from $5,000 to $7,000 at present residing in the city of Montreal?

Mr. DOHERTY: I do not know whether Mr. Justice Bruneau and Mr. Justice Martineau have changed their residences since this enactment of the Quebec Legislature, nor am I quite certain where they were actually residing before the change. I would assume that they were residing at St. Hyacinthe and at Sorel.

Mr. PROULX: Then in addition to receiving $7,000, every day they sit in Montreal they will claim ten dollars a day for living expenses.

Mr. DOHERTY: The law already prevents that.

Mr. E. LAPOINTE: Where will the new judges for the Superior Court in Quebec reside?

Mr. DOHERTY: There are to be two judges in the district of Saguenay. My impression is that the one thus added is to live at Chicoutimi.

Mr. FOWLER: What is the present necessity for this legislation? I understood a couple of months ago that there would be a revision of the salaries of judges all along the line. Now we find two or three judicial positions in Quebec singled out for special consideration. Have the judges in Quebec struck for more pay? There are judges in the other provinces doing their duty quite as well as those in Quebec, and if consideration is to be given to those in one province why should it not be given to those in the others? It seems to me that the minister is making an invidious distinction in favour of these judges in Quebec. The Supreme Court judges in Alberta are to receive $6,000 but these strikers are to receive $7,000. I want to know why these judges in Quebec are receiving this special consideration while those in other provinces are receiving no consideration at all. I think the salaries of judges, taken on the whole, are just about as large as they should be. I am a member of the profession—and I know something of what I am talking about. The salaries received by judges of the various courts throughout Canada, from the Atlantic to the Pacific, are in about ninety per cent of the cases considerably in excess of the amount the judges made at the Bar. Laymen are asking where this is going to stop and why these men, who are retiring usually into positions of comparative ease and munificence of the Government, receive salaries much greater than their former incomes, although they do much less work. Very good reasons should be given for an increase of $2,000 per annum in a judge's salary. Unfortunately, I was not present when the minister began his explanation of this resolution, but I would like to hear reasons strong enough to convince me that this is legislation for which I should vote.

At six o'clock, the Committee took recess.

The Committee resumed at eight o'clock, Mr. Blondin in the Chair.

Mr. DOHERTY: I was about to say when the House rose at six o'clock that if the hon. gentleman who spoke last had been present when I made my explanation he would have perceived that this is not a question of making an increase in the judges' salaries or of making any discrimination in favour of any province. This legislation is the result of an endeavour to improve the system, and by means of that improvement in the system to arrive at an improvement in the administration of justice in the district of Montreal in a way more economical than it otherwise could be arrived at. The great centre of legal

business in the province of Quebec is the district of Montreal. The population of that district must be in the neighbourhood of 800,000 people, and the judges are in large numbers scattered through the rural districts. If we proceeded in the ordinary way, what would happen would be that the legislature of the province of Quebec would be entitled, if the business of the Montreal district required it, to provide for two additional judges in the district of Montreal, and that would have made two additional salaries for the Dominion to pay. There being need for further aid, and there being men available the duties of whose districts do not take up all of their time, under this arrangement we are getting a transfer into the place where the work is to be done of two men at an additional cost of $4,000, instead of $14,000. Instead of the province of Quebec providing for two new judges and two full salaries, we are utilizing the services of men who are entitled to a salary of $5,000 a year at a cost to the Dominion of $4,000. After this explanation there can be no question of discrimination, and I feel sure that my hon. friend's terror of strikers will disappear.

Mr. PROULX: Will Mr. Justice Chauvin do work in the district of Montreal also?

Mr. DOHERTY: As far as it may be possible, but I believe he will have enough to do in the district of Ottawa and in his own district of Montcalm. I do not anticipate then that he will have very much time after he has done his work in the district of Ottawa. If an arrangement had been made for a resident judge in the district of Ottawa there would have been also a judge in Mont Laurier, and it would have been necessary to provide a salary for an additional judge, which would have meant an extra expense of $5,000 a year. Acting upon the suggestion I made, which was concurred in by the provincial authorities, instead of doing that arrangements have been made by the provincial authorities to have this judge take, in addition to the work of his own district, his share of the work in the Ottawa district. Again, instead of an additional judge with salary of $5,000 a year, we get an additional judge doing the same work at an extra cost of only $2,000. The whole thing has given me a good deal of thought. I was rather disposed to congratulate myself on having brought about a most economical arrangement, and I did not expect to be criticised as adding unduly to the expenses in this province.

Mr. MARCIL: Has the minister been able to make an arrangement with regard to the judicial work in Terrebonne, Joliette and Beauharnois?

Mr. DOHERTY: In regard to the district of Terrebonne, there has been such an arrangement for a great many years. The judge of Terrebonne resides and works in the district of Montreal. Last year we made a similar arrangement in regard to the district of Beauharnois.

Mr. A. A. McLEAN: How many Superior Court judges are there in Quebec, and how many Supreme Court judges?

Mr. DOHERTY: The total number of the Superior Court judges is forty-one. There are no judges under the name of Supreme Court judges. The Superior Court in Quebec is a court that has entire jurisdiction in first instance save in regard to cases under $100. From $100 up the Superior Court has entire jurisdiction in all civil litigation in first instance.

Mr. A. A. McLEAN: This matter has been coming up from time to time since it was settled some years ago, as appears by the Revised Statutes of 1906. Amendments have been made from time to time, and a few years ago the principle adopted was that judges should be appointed according to population. I suppose the amount of litigation among a given number of people is about the same all over Canada. The number of judges would be about the same in different provinces in proportion to population. I think that there is just as much litigation in the eastern part of Canada as there is in the middle part, in Quebec, in Ontario, or in the West. But we find that there is a discrimination. We find that the chief justice of Prince Edward Island gets only as much as a puisne judge in Manitoba or in Quebec and that puisne judges in Prince Edward Island only get $5,000 a year. I do not think this is right. If we have about the same population to a judge as Quebec has, why should the judges in eastern Canada be discriminated against in this way? The judges in Prince Edward Island, Nova Scotia and New Brunswick do just as much work as the majority of the judges in Quebec, Ontario or Alberta, but we find on the statute books a discrimination in favour of every one of these provinces as against the smallest province in Canada. I brought this question to the attention of the former Minister of Justice

some years ago and I also brought it to the attention of the present Minister of Justice but I was told that there was no change being made in the Act contained in the Revised Statutes of 1906. I cannot see it in that way. I find that there is a change made in judges salaries in this very resolution. The resolution reads in this way:

Resolved, that it is expedient to amend the Judges Act, chapter 138 of the Revised Statutes, 1906, and to provide for the increase of the salaries of three judges of the Superior Court of Quebec from $5,000 each per annum to $7,000 each per annum and to provide for the salary for an additional judge of the said court at $5,000 per annum.

I would like to know how it is that these three judges are to get an additional $2,000 and that the new judge who is to be appointed will only receive $5,000 a year, the same as the puisne judges in Prince Edward Island. I suppose that probably next year another Bill will come in to give this puisne judge an additional $2,000 a year because there will be a lot of kicking over this matter on account of this discrimination. If you look up the statutes you will find that all the other puisne judges receive $6,000. This law in regard to judges should be put upon a proper basis. There should be no discrimination and they should receive equal salaries in all parts of Canada. Important cases come up in the smaller provinces as in the larger provinces, and the same care and attention have to be given them by the judge. In New Brunswick they have only one judge for fifty thousand inhabitants, while in Alberta and Saskatchewan they have one judge for thirty thousand inhabitants, so that these new provinces have been favoured in that way, and the judges receive large salaries as well. The reason given for these larger salaries is on account of the high cost of living, but I think you will find that the cost of living is about equal in every part of Canada. There may be a difference for the man who wants to live high, but so far as the ordinary cost of living is concerned, not the cost of high living, it is about the same all over. There should be no discrimination and no favouritism shown in the salaries of public officials in this country who do their duty. I think you will find that the judges in eastern Canada do their duty as well and are just as competent as the judges in Quebec, Ontario, the middle west or British Columbia. I ask the Minister of Justice to withdraw this resolution and reconsider it, and I have no doubt this House will do justice to the judges from one end of the country to the other if a proper resolution is placed before it.

[Mr. A. A. McLean.]

Mr. CARVELL: I have had occasion to discuss this subject many times during the last six or seven years in this House, and I want to say to the Minister of Justice tonight what I have said to my own political friends when they were in power. I heartily concur in everything which has been said by my hon. friend from Prince Edward Island (Mr. A. A. McLean). I am sure the Minister of Justice does not appreciate the position of the county court judges in the Maritime provinces. They occupy a different position altogether from the county court judges in the rest of Canada. I do not know exactly what the status of the Circuit court judges in Montreal is, but I assume they occupy somewhat the same position as do county court judges in the Maritime provinces. In the Maritime provinces we have only two classes of judges: Superior Court judges and county court judges. I appreciate that the minister meets with a great deal of difficulty in increasing the salary of the county court judges in the Maritime provinces, because of the rather peculiar anomaly which exists in the province of Ontario, where there are two judges for practically every county, and I suppose the minister feels that, as these judges have not very much to do, it would not be reasonable to increase their salaries to, say, $5,000 per annum. But the minister should remember that, in the Maritime provinces, instead of having two judges in a county, each judge has from three to five counties to attend to, and in the western portion of New Brunswick the judge of the county court has four counties under his jurisdiction.

Mr. BLAIN: The hon. gentleman is not quite correct when he says that in the province of Ontario almost each county has two judges. That is not the case.

Mr. CARVELL: There may be instances to which my remark would not apply, but there must be a great many counties in Ontario where there are two judges.

Mr. BLAIN: There are quite a number, but there are more which have only one judge.

Mr. CARVELL: Well, that makes no difference to my argument, because I say that in the Maritime provinces each county judge takes from three to five

counties, and is an important official. Besides attending to the holding of courts, he has to take speedy trials, and that necessitates travel over very great distances. I think the minister should take these things into consideration, and realize that, if there are different conditions in any part of the country, these conditions should be specially provided for. I know that the Minister of Justice has been importuned, the same as have other ministers of justice, in regard to this matter, but, notwithstanding what my hon. friend from Peel (Mr. Blain) says, if the minister would take the House into his confidence I think he would have to admit that his difficulty in doing justice to the Maritime province judges is because of the peculiar conditions existing in Ontario. If however the Minister of Justice can depart from the general rule and provide increased salaries for judges in Montreal and elsewhere in the province of Quebec, surely he can find means to give a reasonable salary to the judges in the Maritime provinces. It is unnecessary to argue the matter farther; I have called the attention of the Minister of Justice to it on at least two occasions since he became minister, and I do hope that before the Bill passes he will see his way clear to in some way arrange matters so that these important officials in our part of Canada shall receive a reasonable allowance for their services.

Mr. McKENZIE: Considering the large number of judges in the province of Quebec, the advance is a small one, but no doubt it will be gratifying to the recipients of it. It is, however, a step in the right direction. I do not pretend to understand the divisions of the judiciary in the province of Quebec, but it appears from the Judges' Act that there are at least three classes of judges: the judges of the Superior Court, of which there are quite a number, the district judges, who do not preside in the Superior Courts and who evidently would correspond to County Court judges in the other provinces.

Mr. DOHERTY: In the province of Quebec, what the hon. gentleman (Mr. McKenzie) describes as district judges are judges of the Superior Court, but each has assigned to him a particular district. Some of these Superior Court judges are assigned to the district of Montreal, some to the district of Quebec, and the others to rural districts. We have no County Court judges in the province of Quebec. All are Superior Court judges with the exception of four Circuit Court judges in the city and district of Montreal. All of the judges who sit in the first instance are judges of the Superior Court, but although there is a difference in the salary paid that difference is based presumably upon the fact that in the large districts of Montreal and Quebec the work is vastly heavier than in the rural districts.

Mr. McKENZIE: The Supreme Court judges in Nova Scotia are supposed to live in the capital city of Halifax and they go on circuit and act as a court of appeal sitting en banc. There is a court of appeal in the province of Quebec which I presume is composed of some of the Superior Court judges.

Mr. DOHERTY: The court of appeal in Quebec is a separate court called the Court of King's Bench.

Mr. McKENZIE: That is, as I understand it, that they do not go on circuit. Those judges, whose jurisdiction is confined to districts, are doing what is really County Court work.

Mr. DOHERTY: They do both Superior Court work and county court work.

Mr. McKENZIE: The same thing is true absolutely of the county court judges in the province of Nova Scotia. The hon. minister knows that with very few exceptions a county court judge can try every kind of crime with the consent of the accused. Murder, or attempt to murder and a very few other cases cannot be tried without a jury. In the province of Nova Scotia a county court judge is a Master in Chambers of the Supreme Court. As such, almost every kind of work comes before him. As we have only one set of Supreme Court judges and that set residing in Halifax, it is very easily understood that everything that can be done by our different Bars throughout the province of Nova Scotia before the local masters is done. For instance, in the county of Cape Breton we have a local Bar and a great deal of legal work is done. No lawyer goes to Halifax except to attend the Appeal Court; and consequently the county court judge is sitting every day, trying the cases in his regular courts, sitting as a Master in Chambers or sitting as a Criminal Court, trying criminals, so that every day in the year our county court judge is engaged in some kind of business in connection with the discharge of his duties. A salary of $3,000 a year for a man occupying a position of that

character, and requiring as a judge to have such a wide knowledge of the profession to which he belongs, is not sufficient pay. While it may be difficult to change the situation which has lasted for a great many years, it may be a good opportunity for the minister to deal with the matter at the present time. I was rather sorry to hear the comments made from the other side of the House that judges were being paid ample salaries at present. The fact must not be lost sight of that a judge is not in the same position as the ordinary man getting a salary, because there is a certain standing that a judge must maintain; there is a certain dignity of his calling that he must observe, and there is further a provision in the Judges' Act that he must not do other work. There was a time when he could take an interest in companies as a director or as a trustee, and could earn some money in that way; but under the present Judges' Act, passed in the year 1905, he is excluded from all such things, and is not permitted to do anything whatever except that which appertains to his calling as a judge. Therefore he has no income of any kind except his salary. Unfortunately we have only human beings and human nature to contend with in judges just as in men in other positions, and it is well and proper that the man who has to administer the laws should be absolutely independent of any temptation that poverty brings. We fortunately throughout Canada have no complaint to make in regard to the character of our judges, and it is well that we should maintain the dignity of the Bench as far as possible.

As far as the province of Nova Scotia is concerned, I suppose the hon. minister would have no complaint to make if we had a county court judge for each county in the province. In the province of Ontario there is an average of more than one judge for every county, whereas in the province of Nova Scotia we have eighteen counties and only seven judges. Supposing that in the beginning we had a judge for each county, that would be eighteen judges; and as they would certainly be paid $3,000 a piece, that would be $54,000. With the small number of judges that we have, if you give them each $5,000 a piece, it is only $35,000, as compared with $54,000. Seeing that we have cut down the number of judges to seven, I think we have a right to expect that they shall be decently paid, and $5,000 is certainly not asking too much.

In the province of Ontario, county court judges earn something as surrogate judges; that is they discharge some functions as judges of probate, for which they are paid fees, and it makes a considerable addition to their income. They have also something to do with the assessment lists; they sit at a court of revision or appeal, and for this work they are paid something. In the province of Nova Scotia, however, the county court judge by way of his office is the court of appeal from the decisions of the probate court, but he gets no allowance for that work at all; he gets the bare amount of his salary. I mention this so that the minister will know that there is no analogy between the position of a county court judge of the province of Nova Scotia and that of a county court judge of the province of Ontario, so far as that is concerned.

I think the minister had a different idea in his mind some time ago, namely that he could deal in a general way with this matter, and assist the judges throughout the whole of Canada, particularly in the Maritime provinces. I am sorry to find that the prospects are not so bright as they were eighteen months or two years ago. I hope that the idea put forward by my hon. friend for Queens, Prince Edward Island (Mr. A. A. McLean), will be followed out and that this resolution will be withdrawn and a wider one submitted. We all understand that it is not competent for the minister to amend the resolution now before the committee, but it certainly would be competent for him to withdraw it and submit one dealing more generally with this question.

There is another matter which I wish to bring to the attention of the minister, as I did on a former occasion. I explained to the minister on that occasion that the county court judge for my district had been deprived of his allowance for travelling expenses under a regulation which assumes to discriminate between different classes of work performed by county court judges. It seems to me a poor matter that, when a county court judge is carrying out the demands of the legislature of the province he should be paid less than the regular travelling allowance. Section 18 of the Judges Act does not recognize any such discrimination. It is as follows:

There shall be paid for travelling allowances to each judge, whether of a Superior or county court, and to each local judge in Admiralty of the Exchequer Court, except as in this section otherwise provided, in addition to his moving or transportation expenses, the sum of six dollars for each day, including necessary days of travel going and returning, during which he is attending as such judge in court or

chambers at any place other than that at which he is by law obliged to reside.

That is a broad provision that when a judge of the county court is sitting as a court—as he was in the case I have in mind—acting under the provisions of the statutes of the province of Nova Scotia, he certainly comes within the provision of that section. I was certainly surprised that under that regulation the judge was deprived of his proper fees. As I said, I brought this matter to the attention of the minister before. But he has many matters to attend to, and, I quite understand, tends to lose sight of small matters of this kind. But I remind him of it again in the hope that the regulation will be removed, and that when a judge of the county court travels in the regular discharge of his duty, he shall be given, without hesitation and without trouble, the fees allowed under the Act.

However, that is a matter of detail. I would again urge upon the minister the necessity of dealing liberally with the county court judges in the province of Nova Scotia, in the Maritime provinces generally, and indeed all over Canada.

Mr. McCURDY: Not having the pleasure and advantage of belonging to the legal profession, I cannot appreciate to the same extent as the hon. member for North Cape Breton (Mr. McKenzie) the demands which are made on the time of a county court judge. It is quite evident that the demands made upon him call upon him to be self-sacrificing, and it becomes ingrained in his nature, for has not the hon. member himself relinquished a position at $3,000 a year as county court judge to accept a much smaller honorarium in the service of his country? But, seriously, it seems to me—and I have made representations to the minister upon the subject at different times—that the remuneration given to our county court judges is quite inadequate. It has remained the same for many years, although, as hon. members are so often reminded, the cost of living has been increasing. There is no way, as the hon. member for North Cape Breton has pointed out, whereby the man who occupies the position of county court judge can increase his income, he is dependent on the salary attached to his position. He is expected to keep up a certain style of living and it seems to me that taking into consideration the constantly increasing expenditure, this is a matter which might well claim the minister's attention. Some of the districts in Nova Scotia cover quite a wide area. One which I have particularly in mind covers three counties. I would like to add my word to that of others in support of consideration being given particularly to an increase in the salaries of the county court judges.

Mr. BICKERDIKE: Why has the Minister of Justice left out the Superior Court judges of Montreal? I find there is no hope for them under the present ruling, though no man knows better than the hon. minister himself the amount of work these judges have to do. I think each of them does as much work as almost any two judges outside of the city. The judges all over the country ought to be well paid, there is no question about that. There is no use of this Government saying that they cannot afford it or that they decline to do it on the ground of economy. A government that has the reputation of burning the candle at both ends must not save on poor judges.

Mr. CARROLL: Our judges of both District and Supreme Courts are very inadequately paid. I believe that there are very few judges in Canada to-day who could not make double their salaries in the practice of their profession. The judges that I know anything about in the province of Nova Scotia and one or two of the other provinces, are men who were of the very highest standing at the Bar in their respective provinces, and who, had they remained in practice would be making salaries of from $18,000 to $25,000 a year instead of the $6,000 or $7,000 which they now receive. If there is one class of our public servants—and I suppose judges are to a greater or lesser extent public servants—who are very meagerly paid, that class is our judges both of the county and Supreme courts. The judges of the county court in our province and I suppose the same is true in other provinces—receives only $3,000 a year. Any man, if he has sufficient ability to be appointed county court judge, could make double that money in the practice of his profession. My hon. friend from Shelburne and Queens (Mr. McCurdy) has referred to my hon. friend from North Cape Breton (Mr. McKenzie) having resigned his county court judgeship. If the hon. member for North Cape Breton had given the same attention to his profession that he did to the duties of his position as county court judge, he would have made $4,000 to $8,000 a year instead of the $3,000 he was paid—and

probably that had something to do with his giving up the job.

Mr. McCURDY: My remark was entirely commendatory of the action of the hon. member.

Mr. CARROLL: I know. Especially in the district of Cape Breton island, our county court judge does an amount of work that is worthy of double the salary that is paid him.

I need not repeat what has been said by the hon. member for North Cape Breton, but our county court judge is busy from Monday morning at nine o'clock until Saturday afternoon at three. He tries practically all criminal cases, with the exception of those of a more serious character; he assumes the duties of master of the Supreme Court at chambers; he hears all interlocutory applications that are made in the various stages of cases sent up to the Supreme Court for trial—my hon. friend the minister of Justice will know what that means in a district where there is a considerable amount of litigation. He is the taxing master and he has the jurisdiction to try civil cases of a very important nature. I mention his case not because I hold a brief for him, but because I know something of his duties, and I believe that he does more work than any other county court judge in the province, excepting, perhaps the judge at Halifax. I cannot understand why this or any other Government should pay a man in that position only $3,000 a year, an absolutely inadequate sum. Many of our tradesmen and smaller merchants, who have not had to go to the expense of acquiring technical knowledge, make more money than that in a year. The judges are absolutely unable to live up to the standard demanded by the dignity of their office on the salaries which they receive.

Mr. LANCTOT: They can resign.

Mr. CARROLL: If it were not for the fact that I would probably be dealing in personalities, I could point out to my hon. friend very many cases where judges have resigned and taken up the practice of their profession simply because they could in that way earn double the amount which they received as judges.

Mr. C. A. WILSON: What about the hon. Minister of Justice ?

Mr. CARROLL: I believe that if the hon. Minister of Justice would devote to the practice of his profession the careful attention which he gave to his duties as judge of the Supreme Court, he would make double the amount of money which he received as a judge. But we have to have judges, and in my humble opinion the minister is going to have some difficulty in getting the very best men to act as judges of the Supreme Court if the salaries are to be left as they are at present.

Mr. BURNHAM: Does the hon. gentleman really think that in this the twentieth century the whole trend of civilization and culture has been such that now everything is measured in dollars and cents?

Mr. CARROLL: The hon. gentleman is ahead of his time; he is living in the twenty-eight, not in the twentieth century. He is one of those men who can see the commerce of this country being carried on by flying machines; he is living in the twenty-fourth century at least. But, no matter in what century we are living, to my mind the question is: are the judges of our courts to be paid adequate salaries? The hon. Minister of Justice is taking a forward step in this matter, but I do not think he is taking a step that will commend itself to the country at large. It is all very well to increase the salaries of some particular judges from $5,000 to $7,000 and from $3,000 to $5,000, but I think the Minister of Justice and his department should go thoroughly into the whole question and come to the conclusion that an increase should be given to every judge in Canada, whether he be judge of the smaller or of the Superior and Supreme Courts. If the minister will see fit to bring down legislation to that end, I believe it would have the hearty support of every gentleman in this House.

Mr. MORPHY: I desire to congratulate the minister upon his attempt to make a forward step along the lines of economy in dealing with the question of the judges of our courts. As I understand the idea of the minister, he is going to enlarge the territorial jurisdiction of the county court judges and let them do work in adjoining or neighbouring counties. In that way, by a slight increase in their salaries, he will obviate the necessity of the appointment of a higher salaried judge in the county to which the judge in question is sent. I think that is commendable and should meet with the approval of this House, especially in an age when it is sometimes considered proper to attack men who sit on the Bench of the country. I pay tribute to the thoughtfulness of the minister in providing a little more work and a little more pay for some

of the county court judges. My own idea, being fairly well acquainted with the conditions in Ontario, is that there is gross inequality of pay, having regard to the labour performed. Leaving out altogether the rather unique and sensible idea to which the hon. member for West Peterborough has given utterance, I claim that many judges throughout the province of Ontario are doing three times as much work as they are paid for doing. There are a great many judges in Ontario who do not earn the money they are getting; yet no one could ask them to take less, because they have always to be on duty and to perform the services from day to day which a judicial officer must perform. In the county that I have the honour to represent the judge of the county court is a very estimable gentleman, formerly a member of this House, who is held in the highest esteem by the litigating public. He is a very busy man, as the county is a great litigating county; we call it the fighting county. I am quite certain that I could pick out throughout the province of Ontario six county court judges who together do less work than the judge of the county court in the county of Perth. That being the case, the principle that the minister is endeavouring to establish by this Bill might be fairly established to-day in respect of the county court judges in the province of Ontario. While I admit that as the province of Ontario is growing rapidly in industrial life, the work of the judges will increase very rapidly and the day may come when these men of whom I speak may have more than enough to do, still I believe that it would be worth the minister's while extending the principle not only to Quebec but to the province of Ontario as well.

Mr. CARROLL: And to Nova Scotia.

Mr. MORPHY: I cannot speak of the conditions in Nova Scotia, but I heard the hon. member for South Cape Breton (Mr. Carroll) eloquently speaking for the Superior Court judges a moment ago. So far as Ontario is concerned, I have heard no complaint about their salaries, but there is complaint at times from the public that while this Parliament has enacted a law which compels the retirement of county court judges at seventy-five years, it is entirely left open so that a judge of the Superior Court may stay on the bench until he is 175 years old, if he lives that long. I do not think the discrimination is a fair one. I believe that the county court judge throughout Ontario and within the whole Dominion jurisdiction is in every respect as estimable a man and as worthy of the consideration of Governments as any Supreme Court or Superior Court judge, and I, for one, feel that since the law has been applied, and I think in many cases well applied, that a judge having reached the age of 75 is forced to retire from the county court judgeship, his brother on the Superior Court bench, who has enjoyed more than double the salary all his life, should be put in the same position. While I will have to make exceptions, owing to the fact of men of 75, such as Chancellor Boyd in Ontario, retaining all their faculties in splendid shape so that they are able apparently to do their work as well as at any time, so that it would be a distinct loss to the bench if they were forcibly retired; there are to-day in Ontario some complaints at the non-retirement of Superior Court judges who have reached the age at which a county court judge would be forcibly retired. I congratulate the minister on his advance towards economy on this line and the application of the sensible plan of giving the county court judges a little more work and adding to their pay.

Mr. W. M. MARTIN: I cannot say that I agree altogether with the remarks of the hon. member for North Perth (Mr. Morphy). It seems to me that the question of economy should not arise in connection with the salaries of judges. If the Government are going to practise economy, cutting down or keeping low, the salaries of judges would seem to me to be a very poor place to begin it. It would be better for the Government to begin in the Militia Department and cut down the construction of drill-halls, or perhaps in the Public Works Department, where the expenditure has been going up by leaps and bounds in the last three or four years.

There seems to be a general agreement between members on both sides that the salaries of district or county court judges in Saskatchewan should be somewhat increased. If that is true in Nova Scotia or in parts of Ontario or in Quebec, it is equally true in the western parts of Canada and particularly so in Saskatchewan, not only on account of the fact that the judges in that province are all working from morning until night, as there are not sufficient County Court judges in the province, but also because living is much more expensive in that part of the country than in any other part of Canada. In an ordin-

ary county town in Ontario a man occupying the position of county court judge can live on much less than he could in a similar town in Saskatchewan. I attended a banquet given by the Bar Association of Saskatchewan to the Minister of Justice last fall. The minister was in particularly good humour on that occasion after he had been banqueted and treated to the best that the prairies produce. I understood from his remarks, and the impression was general not only in Regina but in Moosejaw, that he was going to do something 9 p.m. to increase the salaries of county court judges in Saskatchewan. I know that the minister's answer will be that he must deal with the whole of Canada; but the conditions are somewhat different in the West as it costs more to live and the judges there actually do more work than county court judges in Ontario. I hope the minister will devise some scheme by which he can be of some assistance to the judges of the county court in Saskatchewan. The minister is going to appoint four more District Court judges in that province. He will have trouble in getting proper men for those positions at $3,000. He shakes his head. I venture to say that a great many of the applications he has had for the position are from men not fitted to occupy the position of county court judge. I know that he cannot get properly qualified men for these positions at a salary of $3,000. Unless the salaries are made adequate to the position the minister will not be able to get the best men to occupy the positions of District Court judges in the western provinces, and I hope that some means will be found to give these men more salary than they are offered at the present time.

Mr. LANCTOT: Mr. Chairman, before this resolution is put, I wish to once more state my views as to its purport. The hon. minister stated that the Judges' Act should be amended. I must say, in the first place, that I am greatly pleased at the rapid spread of the views I expounded in the course of this session concerning the proposed increase in the Judges' salaries. Despite the lateness of the season, the seed which I have put in the soil is making good progress, if I am to judge by the statements forthcoming from the hon. member (Mr. Fowler) before recess, and I have reason to believe that before long it will yield a magnificent crop.

[Mr. W. M. Martin.]

I have several times addressed the House in this connection, and I must say once more that I cannot agree with the views expressed by my hon. friend from South Cape Breton (Mr. Carroll); and neither can I agree with the views expressed by another of my colleagues, who has just taken his seat (Mr. Martin of Regina) when he stated, as the previous gentleman had also stated, that the judges were being paid starvation wages. Starvation wages, you say, with $7,000 for the Superior court judges and $3,000 for the County court judges of Ontario and the other provinces? If such be the case, I wonder how many people we will lose in this country within a year or two, when those who are drawing such salaries are bound to disappear from the face of the earth on account of the increased cost of living. I wonder how many people there will be left in the country following on such a disaster. Is it not a fact that we have, in this country, a large number of people earning less than five, six, seven hundred dollars, one thousand or twelve hundred dollars, while burdened with families to bring up and children to educate? However, not a single lawyer in this House has as yet risen from his seat to urge on the Government the desirability of increasing the wages of these people who are threatened with starvation. Not a single legal gentleman on either side of the House has done so.

That question of the judges' salaries is entirely a novel one for the electorate, and I say that the people are ignorant of what is going on in this connection. But the people will be informed of the facts, and I for one, have quite made up my mind to take up the subject whenever an occasion offers.

Most lawyers are willing to accept these judgeships at $7,000 or $8,000 per annum, realizing that in so doing, they are providing for their old age a pension, after fifteen or twenty years' service, without ever contributing to the fund. Is there in any part of the country people who draw superannuation without beforehand contributing to the fund off their salary cheque? Only the judges enjoy that privilege.

As stated by my hon. friend from Queens and Albert, at the time of recess, many legal gentlemen who are promoted to the Bench never, while practising at the Bar, had the chance of drawing a monthly cheque of between $416 and $580, such as they receive from the Government. Far from it, I may say that to my knowledge, many lawyers who were eking out a mere living in Montreal, or elsewhere, were most happy to ac-

cept positions in the Civil Service, because they could not make both ends meet out of their professional fees; and now we are told that the judges should be paid larger salaries. I say that is preposterous.

What example are you professional men setting for the people? I say that in taking such a stand you are abetting the other classes of society against you; you are making yourself an object of envy to them, because you are keeping everything for yourselves and leaving nothing for others. But the time is near when a stop will have to be put to it.

I have already spoken to the same effect on several occasions, but I wish to-day to make an exception in favour of the judges of the Montreal Circuit Court. I am in favour of increasing the salaries of those judges, the senior of whom has heretofore drawn only $3,600 per annum, while his colleagues drew $3,000. I say that those judges are not sufficiently paid for the work they are doing, and besides they have no right to a pension.

Mr. DOHERTY: After twenty-five years.

Mr. LANCTOT: Well, that is wrong. I am against granting any pension to them. If both parties in this House are agreed as to the desirability of paying larger salaries to the judges, why not pay them while they are doing the work? There is no reason for that pension. It is to that the people object.

Why is that pension granted to the Superior Court judges, instead of a larger salary? Why? Simply in order to enable the party in power to appoint as judges those who are unwilling to face public opinion, and that, by pensioning the retiring judges, so as to make room for others. The hon. Minister of Justice is posted in this connection. Possibly he will deny it, but I challenge him to come and discuss that question on the hustings in the province of Quebec, and I am satisfied that he will not defend before the people the stand he is now taking.

The hon. Minister of Justice stated that, by means of this resolution, he expected to effect a saving of $12,000 per annum by getting those three judges to sit in Montreal. The minister has thus adopted the right course; I may congratulate him right here, for those $12,000 will put us in a position to continue paying that pension to him for some time to come. But that pension will have to be dispensed with some day, and I beg of him to speak in my behalf to the right hon. Prime Minister, so that the House may be afforded an opportunity of discussing the Bill which I introduced at the opening of the session. The Government should not entertain any fears since they have the majority in this House.

I am not speaking for myself alone. True, I am not a lawyer, but what I say is in the interest of those poor people who work hard and strain every nerve to earn a few hundred dollars, and I am waging war on the magnates who would gobble everything and leave nothing to others.

I see that the few hon. gentlemen who have taken part in this debate belong to the legal profession. I think they expect to be promoted to the Bench one of these days. Among them, there are some men of mature years, and others much younger. For instance, my hon. friend from South Cape Breton is young; he is a good lawyer and he will be made a judge before long. My hon. friend from Queens, P.E.I., is anxious that the judges' salaries should be increased; I surmise that he will be made a judge pretty soon; his stand on the question would seem to indicate it. I must say in conclusion that I am strongly opposed to any increase of the salaries of such judges as are drawing just now $8,000, $7,000, or even $5,000, and I say that the country is at one with me on that point.

Mr. MACDONALD: I was very much disappointed with the fact that the hon. Minister of Justice (Mr. Doherty) had not succeeded in dealing with this question of the judges' salaries in a comprehensive way, as he assured us last year he would do in the interval. I cannot follow my hon. friend from North Perth (Mr. Morphy) in the congratulations which he has given to the minister wherein he says that some economy has been practised as a result of this resolution. I have always been under the impression that the constitution of the courts, the statement as to the number of judges that should exist, and all the provisions in that particular, rest entirely in the hands of the provincial legislatures, and all that is necessary for the Minister of Justice to do is to provide for the appointment of judges and fix their salaries. The minister, in dealing with this case, has devoted his energy entirely to one province of the Dominion. I need not repeat the arguments that have been made by the two hon. members from Cape Breton as to the necessity for a prompt and early consideration of the conditions which exist in the province from which I come; but I apprehend that in other prov-

inces of the Dominion the question is quite as acute as it is in the province of Quebec or in the province of Nova Scotia. I think that the gentlemen who are on the bench were led to believe last year by the minister that this whole question of the revision of salaries would have been considered between sessions and would have been dealt with this year. I have not heard any explanation from my hon. friend the minister as to why, in dealing with this question, he has limited his efforts to one province. One does not need to repeat the arguments which have been made on behalf of the Opposition. On the other hand, we have had some suggestions as to the lack of any necessity for moving, but I am sure that the practice which has always characterized the payment of the judiciary in the empire, the custom that has been set for us in the Parliament of the mother country, where salaries which would almost be regarded here as princely accompany the filling of the judicial office, has marked a condition of affairs which I think might well be continued in this country. When we recall the fact that the life, the liberty and possibly everything there is in the world belonging to the individual may be destroyed or completely nullified as the result of the decisions of the men who have been appointed by the state to sit in judgment in regard to the particular issues involved, we will at once realize that we have a condition in which nothing but the most unswerving integrity and the highest degree of independence should characterize the occupant of the bench who has these questions to determine. Anything that would detract from that superb independence which is absolutely essential to the proper administration of the law and the maintenance of those high standards of legal jurisprudence on which the very best interests of our country depend would be the greatest possible menace to the state. These considerations which, I have no doubt, have been put by hon. gentlemen who have spoken before me, must have appealed to the minister, and I only desire to again express my regret that in dealing with this question he has only touched the fringe of it and not attempted to deal with it on those broad lines which we anticipated last year he would have done.

Mr. CARVELL: I want to point out to the minister that we are finding fault with the increases granted to certain judges in Quebec who, while it is true they are not county court judges, yet, from the information which we all have, we know are practically performing the same service as county court judges in the other provinces. I do not think the minister should go behind any such technicality as that. He may claim that there are particular circuit judges who are doing a large amount of work, but I venture the assertion that they are doing no greater amount of work than many of the county court judges are in the Maritime provinces. Take the county court judge of Sydney, the county court judge of Halifax, the county court judge of St. John, or the county court judges of many of the rural districts and compare the amount of work they do with the work that these judges do in Quebec, and the comparison, I venture to say, will be very favourable to the county court judges of the Maritime provinces. You have also to take into consideration the fact that in the Maritime provinces there are often three and four counties joined together in one circuit. I am afraid the minister does not appreciate the condition of affairs. The statement was made by one hon. member this evening that large demands were made upon their time. It is not so much the demands that are made upon the time of the county court judges, but it is the fact that, owing to the high position they occupy, they cannot do anything else and they are simply compelled to live upon their $3,000 a year or resign their position. They are prohibited from taking part in any other of the activities of life. The county court judge occupies, so to speak, just as high a position as the Lord Chief Justice of England does; that is, he is not in a position to engage in business, he cannot increase his salary by any outside transactions, he cannot even be a director in a joint stock company, and he has to live up to a standard just the same as a judge of the Supreme Court of Canada or the Lord Chief Justice of England. My hon. friend may say that they have no difficulty in getting men to take these positions. That may be true, but my hon. friend will find that he has a lot of difficulty in getting the right class of men to take these positions. I am speaking from the standpoint of the Maritime provinces practically altogether. The hon. member for South Cape Breton (Mr. Carroll) gave some little account of the way it worked out in Nova Scotia. It is very much the same in New Brunswick. Our Supreme Court in

New Brunswick is divided into two sections, the appellant division consisting of three judges, a chief justice and two puisne judges. Then there is the King's Bench division, which consists of a chief justice and three others. The two chief justices receive $7,000 a year and the others $6,000. The county court judges require just as much knowledge of the law and they must be just as able lawyers as are the judge of the King's Bench division, because exactly the same class of cases is brought within their purview. Under our arrangement civil matters up to $400 in contract and $200 in tort are decided by the county court judges. Beyond that the cases go to the King's Bench. The same amount of legal acumen is required in deciding a case involving an amount of $399 as that which is required in a case involving $400. My hon. friend does not seem to appreciate the fact that as far as the Maritime provinces county court judges are concerned they are exactly on a par with the King's Bench judges, except that they receive half the salary. I think the minister must be alive to the fact that this is an unfair basis. This is a position that these gentlemen ought not to be asked to sustain, and I trust that at an early period my hon. friend will be able to do something to remove this anomaly. Since this discussion commenced this evening I have been casting my eye over the Estimates in every department of the Government in Ottawa, and if you look at these Estimates you will find from one to eight or nine officials outside of the deputy ministers who are receiving salaries greater than those of the county court judges. I have nothing to say against these gentlemen; they are doing the work assigned to them, but they are only clerks. I do not think the Minister of Justice can consider for a moment that a chief clerk in a department at Ottawa has anything like the responsibilitty devloving upon him as has a county court judge in the Maritime provinces; the two cases are not comparable.

Mr. MARCIL: And these officials are not satisfied.

Mr. CARVELL: No doubt they are not satisfied, but I am only mentioning them as a matter of comparison. In this very building to-night there are eleven or twelve gentlemen, not including the Clerk of the House, the Clerk of the Senate, the Sergeant-at-Arms and important officials of that kind, who are mere clerks and who are receiving a greater salary than the county court judges in the Maritime provinces. I am not going to say anything about the Militia Department; I had something to say about that last week, but if the Minister of Justice would look at the salaries of the officials of the Militia Department he would be ashamed.

Mr. DOHERTY: I would find a good example there.

Mr. CARVELL: Yes, you would find all the justification you possibly could require to increase the salary of judges who really are doing something for the country, who are a necessity to the country, and who are earning their salary. Again, I am not attacking the Militia Department; I am only mentioning this by way of comparison If it be necessary to keep this body of military gentlemen in their positions at enormous salaries, surely the Minister of Justice ought to be able to equalize the matter by raising the salaries of the county court judges to somewhat near what they should be.

Mr. DOHERTY: In so far as we have listened to argument upon the general increase of the salaries of county court judges, and perhaps of judges, generally speaking, I have very strong sympathy with that view. The hon. gentleman from Regina (Mr. Martin) said that I was in good humour up in Regina, and that I intimated my feeling in that regard. I may say, as a matter of fact, that on that question I am always in good humour and I always entertain the same feeling. Unfortunately one is not always able to do these things which in the best of humour he wishes to do.

Mr. CARVELL: Why not?

Mr. DOHERTY: I am not alone to deal with this matter, and there are other considerations than those which have been advanced this evening that appear to be paramount obstacles to the general dealing with this subject at this session. It is quite true that I promised to do my best, and I have endeavoured to keep my promise. But the circumstances have not been favourable, and we are not in a position to deal with the whole subject at present. I have explained the peculiar circumstances of what is being done in Quebec. This is not a matter of increasing salaries pure and simple. So far as the Superior Court judges are concerned, we are avoiding the appointing of two addi-

tional judges by making arrangements by which existing judges do considerably more work for a small addition to their salaries. It is from that point of view that one hon. gentleman has been good enough to speak of it as being, what in reality it is, an economy.

I do not want to go into comparisons which might seem invidious, but I do know of my personal knowledge the immense volume of work the circuit court judges in Montreal do. The province of Quebec thought there was so much work that there should be six judges in the circuit court, but I have so arranged matters that it is possible to do the work with four judges, and I am simply distributing between these four the six thousand dollars salary that would have been paid to two additional judges at $3,000 each. I am not in reality burdening the treasury of this country with any addition to the salaries of particular judges. What I am doing with regard to the Superior Court judges who come into the district of Montreal, is, adding two increases of salary of two thousand dollars each, instead of paying salaries for two additional judges at seven thousand dollars each. In the case of the Circuit Court judges, I am getting the work done by four men, and paying the same as I would have paid if I simply folded my arms and made no effort, and added two judges at the suggestion of the legislature. I have to acknowledge the co-operation of the Government of the province of Quebec in this arrangement. An hon. member has said that it is for the province to fix the number of the judges, and I have to acknowledge that this arrangement could not have been come to without the co-operation of the Government of the province of Quebec.

As to the statement made by the hon. member for Prince Edward Island (Mr. A. A. McLean), there is no doubt that the Chief Justice of that province receives less than the Chief Justices of the other provinces, but on the other hand the puisne judges of that province receive more than the rural puisne judges in Quebec. There are anomalies with regard to these salaries. Perhaps it is true that something ought to be done to remedy these anomalies, but they seemed quite satisfactory to a large number of gentlemen who have spoken this evening, at the time they were brought into existence, and so long as it remained in their power to change them. These hon. gentlemen seem to have discovered the great need for a change only when their power to make the change slipped from them. But that does not alter the force that attaches to the argument that there ought to be a change, and speaking for myself personally, I shall be glad if circumstances should put me in a position where I shall be free to deal with this whole subject. As I have said, circumstances have not appeared this year to be favourable to that being done, and I regret it as much as any of the hon. gentlemen who have spoken. The hon. member for St. Lawrence (Mr. Bickerdike) touched a sympathetic chord when he spoke of the position of the judges in the district of Montreal. I am as sorry as he can be that we are not in a position to deal with the whole subject, and in dealing with the whole subject to deal with their case. The action that is being taken here now is purely and simply giving effect to an arrangement that enables us, while avoiding a larger burden on the treasury, to get a more effective administration in a particular district. It is not a matter of increasing salaries purely and simply, because for what we are doing we are getting a direct consideration of greater value than we are giving.

Mr. MARCIL: Is there any arrangement made with regard to the judge in the district of Gaspé?

Mr. DOHERTY: I must confess that I know of no reason why the judge in Gaspé should be treated differently from the other rural judges in the province of Quebec.

Mr. MARCIL: His salary remains at $5,000?

Mr. DOHERTY: Yes.

Mr. MARCIL: Does he reside in Quebec?

Mr. DOHERTY: The judge in the county of Gaspé exercises his functions also in Bonaventure, with residence at New Carlisle or at Percé, at his choice.

Mr. MARCIL: That is a requirement of the provincial law, I presume?

Mr. DOHERTY: Yes.

Mr. MARCIL: His salary is $5,000?

Mr. DOHERTY: Yes.

Mr. MARCIL: He sits in Quebec almost all the time.

Mr. DOHERTY: That must be because of his own willingness to do so, and it must be remembered that he gets ten dollars a day for expenses when he does so.

Mr. MARCIL: Why should not the same arrangement be made in these two other cases?

Mr. DOHERTY: If the proposition should come from the provincial authorities to make the change, I shall consider what ought to be done; but I do not know the circumstances under which the hon. member says the judge of the district of Gaspé resides in Quebec. His residence apparently by law is fixed in his district.

Mr. MARCIL: I am not reflecting on the judge of the county of Gaspé. He is a distinguished man and has had a very noteworthy career in judicial life, but he occupies the same position as other judges have before him. His immediate predecessor resided at New Carlisle.

Mr. PELLETIER: He resides at Rimouski.

Mr. MARCIL: The judge resides there in the summer time, but in Quebec in winter. I understand he sits very often in Quebec. The same thing might apply to the judge at Rimouski. I suppose the same thing applies to other judges who reside in the city of Quebec. The only objection I have is that there should be any discrimination. When a judge is appointed to the Superior Court Bench, he should obtain the same salary as his confreres. Ten, twelve or thirteen years ago Sir Charles Fitzpatrick brought a resolution before the House and by an error, according to his statement, no increases were granted to these judges and it was a source of conplaint for many years after that.

Mr. DOHERTY: That has been remedied.

Mr. MARCIL: I am not blaming the present Administration, but I think there is a discrimination against these district judges, if the salary remains at $5,000.

Mr. DOHERTY: All the rural judges are on the same basis.

Mr. MARCIL: You are taking three rural judges now and making city judges of them. Why not do the same thing with the judges of the district of Gaspé as with the judges of the districts of Richelieu, St. Hyacinthe and Montcalm?

Mr. DOHERTY: They are not all required in the district of Montreal, and it would not be a very practical arrangement that a judge should have a district down in Gaspé and also have a district in Montreal, thus spending a large part of his time travelling between the two places. Where we have sanctioned this action, it has been in the cases of districts immediately adjoining Montreal, where a man living in Montreal can with equal facility serve his own district and the district of Montreal and because of the need existing in the district of Montreal, and the possibility of its being done with perfect convenience and without loss of time, we have sanctioned the arrangement with regard to these particular judges. Of course, we do not require all the rural judges in the district of Montreal, and we are beginning with those whose districts are nearest to the district of Montreal.

Mr. MARCIL: I am not objecting to the arrangement at all, but I think it might be extended to the other parts of the province. Gaspé may seem very remote, but it is now within a few hours of the city of Quebec. I think that no discrimination should be made between judges occupying equal rank and doing equal work. If in their own districts the work is not sufficient, the Government should give them additional work, if possible, instead of increasing the number of judges. So far as the Circuit Court judges are concerned, I have the pleasure of knowing these judges from the day they were appointed. Three of them were originally appointed, and now the number has been increased to four; but our friends in the Maritime provinces may not know that last year there were before this court 18,000 cases to be tried, and because the role was so overcrowded, two judges of the Superior Court had to be appointed to assist these judges in catching up in their work. The court is presided over by Mr. Justice Leboeuf, who is certainly a very hardworking man and who is entitled to get all he is receiving, and the other judges are Mr. Justice Purcell and by Mr. Justice Dorion, of whom the same is true. I do not believe on the whole that the people of the province will object to reasonable salaries being given the judges, but I do not think discrimination is in the interest of justice. Instead of employing additional judges, the present judges should be given the work, but they should at the same time receive the salary.

Mr. LEMIEUX: I see that as regards these judges who are to be appointed for the district of Quebec, Chicoutimi or Roberval are the places of residence. Where will they reside?

Mr. DOHERTY: The provision of the Quebec statute is that the judge in the

district of Chicoutimi, shall reside at Roberval, or Chicoutimi, at his choice.

Mr. GAUVREAU: Is there any provision in the statute by which the Minister of Justice can compel a rural judge to reside in his district? If so, is it the intention of the minister to enforce the law so far as the rural judges are concerned?

Mr. DOHERTY: The residence of a judge in the province of Quebec is fixed by the legislation of the province of Quebec. In what manner the Minister of Justice could exercise compulsion upon a judge to obey the law of the province, is perhaps a matter that might require some consideration. So far I have not had called to my attention a case or cases calling for action in that regard.

Mr. PROULX: The best way to enforce the law would be to stop the salary unless the judge complied with the provincial law.

Mr. DOHERTY: We are talking about judges of the Superior Court of Quebec, and the only remedy of which I know, exercisable against judges of the Superior Court is impeachment before both Houses of Parliament. Whether it would be considered a case for impeachment that a gentleman was residing in one place rather than in another is a matter which requires some reflection. Short of that I do not know of any authority that the minister has to compel a judge actually to sit down and stay in a particular place. I am not prepared to say that there is nothing that can be done under these circumstances. When such a case arises and is called to my attention, I shall look into the matter and see whether or not it is possible that something can be done to ensure that a judge performs the duty that the provincial law prescribes for him of residing in a particular place. It is not something incumbent upon him under the law of the Dominion of Canada, and therefore it may perhaps not be our function to compel obedience to that law.

Mr. PROULX: The legislature fixes a district and it assigns the place of residence of the judges. Then, the federal authority provides the salary. I submit, the federal Parliament could impose conditions on the payment of these salaries. It could provide that the judge shall comply with the law made by the provincial legislature, and otherwise shall not be entitled to receive the salary.

Mr. DOHERTY: That is possible, and if the case arises we will see.

[Mr. Doherty.]

Mr. CARVELL: Will the minister tell me whether or not he considers that one of his judges has the right to remain in the active command of the unit of the militia. The question might arise as to whether he might be called upon to order out the militia in the case of riot or disturbance. Has that matter been brought to the minister's attention?

Mr. DOHERTY: The hon. gentleman is asking for an opinion which turns on the interpretation of a section of the statute. In that case, I am sure he will allow me time to give the subject consideration. The only provision I recall that could be suggested as applicable is that which prohibits a judge from engaging in any other occupation and requires that he shall give his whole time to the duties of his office. I doubt whether service in the militia would be held as going into an 'occupation' within the meaning of the statute. When the case arises we will consider what the law is.

Mr. KYTE: I desire to call the attention of the minister to an anomaly that exists in the County Court Judges' Act in respect to the travel and living allowance to county court judges who have to hold court in places other than the shire town of the county in which they reside. No provision appears to exist for payment of such an allowance when the judge has to travel from one town to another in his home county for the purpose of holding court. I called the attention of the minister to this matter before, and he suggested that I send him a memorandum with respect to it. This I did and I hope he will bear it in mind.

Mr. DOHERTY: I received the hon. gentleman's memorandum and will endeavour to see what can be done.

Mr. SINCLAIR: Can it be done without legislation?

Mr. DOHERTY: I do not quite recall. I understand it is somewhat similar to the difficulty spoken of by the hon. member for North Cape Breton (Mr. McKenzie). The difficulty of which he spoke, I understood, arose under some regulation of the department, but the hon. member for Richmond (Mr. Kyte), refers to the County Court Judges' Act. Do I understand that is a provision of our own Judges' Act?

Mr. KYTE: It is a provision under the Dominion statute.

Mr. DOHERTY: I will look into it, and when we come to deal with the Bill to carry out this resolution, if necessary I will see that an amendment is made to meet the case.

Mr. SINCLAIR: The case is where a judge is presiding over two or three counties. As the law now stands the judge can get no travelling fees for attending courts in the county where he resides. This is a matter of considerable hardship and there is no reason why this anomaly should exist. I trust that before this Bill becomes law the minister will see that it is amended to meet such cases as I have referred to.

Mr. GAUVREAU: The minister said that there were no complaints to his department about judges not residing in their districts. I wish to call his attention to the fact that in the district of Kamouraska the complaint is that the judge should reside at Fraserville, the shire town of the district. If I may rely upon what the newspapers in that district state, then it is against the best interests of justice in that district to have a judge who does not reside at the shire town. It is within my own knowledge that the judge was obliged to go away earlier than was expected to Quebec, and some witnesses were sent back to their homes and were obliged to come back at the next term at a cost of over $250—an expense uselessly caused by the fact that the judge had to go to another case at Quebec. If the hon. minister has no complaint from that district, I profit by the circumstance to be the first man to lay the complaint before him.

Mr. DOHERTY: Can the hon. gentleman tell me where the residence of that judge is fixed? I notice that in the Quebec statute, with regard to the district of Kamouraska, the provision is that the judge shall reside 'at the place assigned to him by law.' And I understand that under the Quebec law, that means that the Lieutenant Governor in Council may fix the judge's place of residence. I will verify that if the hon. member is not able to tell me what action has been taken.

Mr. GAUVREAU: Judge Cimon nearly always lived at Rivière du Loup for the best interests of justice. He has been replaced by Mr. Justice Belleau, and it is all changed since Judge Cimon is gone.

Resolution reported and concurred in.

Mr. DOHERTY thereupon moved for leave to introduce Bill No. 190, to amend the Judges' Act.

Motion agreed to, and Bill read the first time.

THIRD READING.

Bill No. 181, respecting the entrance of the Grand Trunk Pacific Railway Company and the Canadian Northern Railway Company into their joint terminals at the city of Winnipeg.—Mr. J. D. Reid.

CANADA SHIPPING ACT AMENDMENT.

On motion of Hon. J. D. Hazen (Minister of Marine and Fisheries), Bill No. 168, to amend Part VI of the Canada Shipping Act, was read the second time and House went into Committee on the Bill, Mr. Blondin in the Chair.

Mr. HAZEN: This Bill was fully explained at the time of the first reading. It is to give effect to the recommendation of the Pilotage Commission with regard to the control of the pilots in the city of Quebec. It places the control of the pilots in the hands of the Minister of Marine and Fisheries instead of in the hands of the Corporation of Pilots, in that respect complying with the recommendation made by the Pilotage Commission, which, as hon. gentlemen will remember, was appointed last year to investigate this matter.

Mr. LEMIEUX: Before this legislation passes I should like to put briefly before the committee a few of the objections urged by the pilots of Quebec against this Bill. The Bill is based upon the report of the commission appointed by my hon. friend a year ago, and, if I mistake not, is presented also at the request of the shipping federation and shipping interests generally. The Corporation of Pilots, which is composed of gentlemen whom my hon. friend the Postmaster General knows well, has sent to the members of the House an answer to the report of the Royal Commission.

Mr. HAZEN: What is the date?

Mr. LEMIEUX: January 22, 1914. I shall not weary the committee by reading the whole of that document, but I wish simply to read seriatim the objections made by the Corporation of Pilots, in order that my hon. friend may give his answer. I may say that personally I approve the Bill; the shipping federation, the shipping interests and the public generally, I think, are in sym-

pathy with this legislation. As the pilots have a right to be heard, however, let me briefly state their objections. They use the following language with regard to the condemnation of the pooling system by the Dominion:

Page 10, section (c) reads as follows: The system of pooling pilots' earnings is vicious and removes all incentive, etc.

In answer they say:

We have experienced this system these last fifty-four years, and consequently we must be in a better position to appreciate it than those who judge that the system on hearsay or according to their interests or their anxiety to pay less. We are glad to say that every member of our corporation is satisfied with it, and would not like to be deprived of it. We cannot understand why the system of pooling our earnings is bad for us and good elsewhere.

Then they proceed to quote the usages which are followed by other pilots' corporations, the Sandy Hook pilots of New York and the Cardiff pilots of Wales, for instance. They say that these pilots' corporations adopted the pooling system which has been followed by the Quebec Pilotage Corporation.

Another grievance is as to the pension fund. On page 10 of the report of the commission it is recommended:

That the pension fund be taken over and managed by the Minister of Marine and Fisheries.

Here is the answer made by the pilots:

That question has not been discussed at all during the investigation and no complaints have been made by witnesses against the actual administration of the fund. This has been decided, ex cathedra, by two commissioners. We think that it is not sufficient to settle the matter without any proof of bad administration.

Mr. HAZEN: I desire to call my hon. friend's attention to the fact that this Bill does not interfere with the management of the pension fund.

Mr. LEMIEUX: Very well; I will pass to the next grievance. With regard to the appointment of an independent superintendent, they say:

We again regret to say that we do not agree with the commissioners' opinion expressed in section (a) about the superintendent of pilots. When the Trinity House was the pilotage authority, they were superintendents and according to law they had to be pilots. What a curious thing to pretend that a pilot cannot fulfil his duty as superintendent because he has been a pilot and will not be independent enough. One might as well say that an advocate is not qualified to become a judge, because, having been an advocate, he will not be independent enough of his former confreres to deal with justice. Governments should do better, we suppose to appoint notaries as judges, they know law and would be more independent.

They complain also of the suggestions made in the report with regard to the apprentice pilots. Then they give this answer with regard to the Quebec tariff of pilots:

The commission would like to point out that the pilotage tariff rates for the Quebec pilotage district are too high for the services rendered. That question of tariff did not come up during the investigation.

Mr. HAZEN: The Bill does not interfere with that.

Mr. LEMIEUX: I know, but the pilots have this opportunity of being heard. (Reading):

And consequently we have had no chance to discuss it and show that the rates are not too high, if we consider the length of the pilotage, 157 miles.

They then compare the pilotage tariff of New York and Boston with that of Quebec, arriving at conclusions which are in favour of the Quebec tariff. These are the chief objections of the pilots to the report of the commissioners and to this legislation.

For many years this matter has been a much debated question and I think that the hon. gentleman has at last taken the authority which should have been entrusted to the Minister of Marine and Fisheries long ago. Unfortunately, there are too many accidents on the river St. Lawrence, chiefly below Quebec, although there are some between Montreal and Quebec as well. Navigation has just been opened and there have already been at least three accidents, two of them very serious—the cases of the Saturnia and the Montfort. In respect of these cases the hon. Minister of Marine and Fisheries was kind enough to send me yesterday a copy of the judgments rendered by the commission. In both cases, if I mistake not, the masters and pilots were found in fault.

Mr. HAZEN: In the case of the Saturnia the pilot was suspended for three months and the master was censured. In the case of the Montfort the pilot was suspended for three months, but the master was commended for his course at the time of the accident.

Mr. LEMIEUX: In the case of the Saturnia, Mr. Meredith, K.C., who represented the Shipping Federation at the investigation, did not agree with the findings of the commissioner in this sense that whilst the master and the pilot are blamed he thinks that the department is also at fault. I quote from to-night's Star as saying:

A strong protest was entered yesterday at the sitting of the Dominion Wreck Commission when the judgment, read by Captain Lindsay, dismissed entirely the absence of aids to navigation as a factor in the grounding of the ss. Saturnia and ss. Montfort, April 28.

F. E. Meredith, K.C., counsel for the Shipping Federation in the case of the Saturnia, and for the Canadian Pacific railway in the case of the Montfort, in view of the fact that no recommendation was made in the judgment that the Government be advised as to the condition of navigation aids in the St. Lawrence, made comment thereon.

'I have no intention of discussing the judgments,' said Mr. Meredith, 'nor to argue whether the absence of buoys and lightship had anything to do with the casualties, but I appear for the Shipping Federation of Canada and the Canadian Pacific railway, both of whom are tremendously interested in the St. Lawrence navigation. And, as no mention has been made in either judgment of the absence of lightships from their stations, I am instructed to ask you to bring the evidence in this regard before the minister. This is with the object that in future years there may not be a position where we find ocean steamers reported coming into the gulf and no lightships sent down in proper time, especially to what is regarded as one of the most dangerous spots in the channel, the Lower Traverse.'

Mr. Meredith also added that Captain Lindsay's successor on the commission should obviously not be a member of the Marine Department and placed in the position of condemning his superiors in office. He should preferably belong to the Department of Justice.

I leave this to my hon. friend to consider. From the first reports that were received of the accident to the Saturnia it would seem that if the lightship had been towed by a proper tow boat it might possibly have been in time at the proper place at the Traverse and the accident might have been averted. At the same time I wish to call the attention of my hon. friend to a judgment which has just been rendered by the Privy Council and which, I think, should affect in the future the legal position of the masters and pilots respectively on board a ship in case of accident. The decision is by Mr. Justice Bargrave, Dean of the British Admiralty Court, in a recent collision case. He decided that the master should never interfere with the pilot in pilotage waters unless there be an indication of absolute incapacity, drunkenness or mental difficulty of some sort. This is likely to create a precedent of far-reaching importance. Further, the judge added that in his opinion the master must assist the pilot and advise him but should not assume command. The pilot is supposed to know local conditions thoroughly and should be in a better position to navigate the vessel than the captain. This decision, given by the highest judicial authority in marine matters in the British Empire, should interest my hon. friend and the navigators generally in the St. Lawrence where so many accidents have occurred, much to the detriment of our country and especially of the good old city of Montreal and generally the ports of Montreal and Quebec. The recent grounding of the Saturnia and the Montfort occurred while both these vessels were in charge of pilots. I am very glad my hon. friend corrected me just now in the case of the Montfort, saying that the master's action was commended. In the case of the Saturnia, although I do not know the captain personally, it seems to me from the circumstances, if the case had been argued before the Admiralty Court in England the master would not have been found guilty as he was found guilty by the wreck commissioner in Montreal. I would like to have the opinion of my hon. friend on this point as I think this decision is likely to be invoked in future cases. I believe on the whole that the Bill which has been introduced by my hon. friend will give us a more modern and more able body of pilots than we have had in the past. I am not finding fault with the old pilotage system, but evidently, from the number of accidents which have taken place in the river St. Lawrence, the Government and the minister were justified in taking the pilotage system of Quebec under their own control as the pilotage between Montreal and Quebec is now. As regards the superintendent of pilots, I suppose there will still be a superintendent of pilots in Quebec. The present superintendent is Mr. Talbot. What are the functions of Mr. Lachance?

10 p.m.

Mr. HAZEN: He is a pilot and was president of the Corporation of Pilots of Quebec. He was president when placed on the Pilotage Commission with Mr. Robb and Captain Lindsay.

Mr. LEMIEUX: To show that the shipping interests of the country are somewhat perturbed at the condition of the pilotage system below Quebec, I wish to read the following extract:

I have here the Canadian Railway and Marine World for September, 1913. A report on the grounding of the steamer Lake Manitoba is given in this paper. I read the following:

The court unanimously unites in its opinion that the cause of the casualty was entirely due to the negligence of Adjutor Lachance, the pilot, inasmuch as he totally disregarded the

rule of the road in porting for a bright light on his port bow, and also in not being aware of the exact position of his vessel with regard to the land. Moreover circumstances ultimately proved that there was not sufficient room for the execution of this manœuvre. It is also of the opinion that had the pilot on seeing the bright light, at once stopped the engines and reversed, if necessary, the casualty would have been avoided. The court therefore suspends his license until the completion of the present season of navigation.

The pilot, A. Lachance, is president of the Corporation of Pilots of Quebec, and was one of the commissioners appointed by the Dominion Government, in the recent inquiry into pilotage matters on the St. Lawrence.

Commenting on this decision, the Canadian Railway and Marine World used the following language in its issue of November, 1913:

The matter has given rise to considerable comment in marine circles, and a number of suggestions have been made to obviate what is becoming a ridiculous state of affairs. Some of these cover the entire removal of wreck investigations from the jurisdiction of the Marine Department, making the Wreck Commissioner's Court subsidiary to the Department of Justice, and depriving the Marine Department of any right to revise judgments and sentences, and also fining only of pilots for errors of judgment, etc., which result in the damage to, or loss of, a vessel, grading such fine according to the gravity of the offence, and extending payments over a stated period, by deducting a percentage from fees due the pilot for services rendered to each vessel during that period. There are certainly some good points in the suggestions mentioned, especially the bringing of the Wreck Commissioner's Court under the Department of Justice, leaving one of the superior courts of justice to be the final court of appeal in all matters pertaining thereto. In all cases where a pilot has committed any offence under the Pilotage Acts, in addition to a fine, the conviction should be endorsed on his license.

Since the foregoing was put in type, we have been officially advised that the Minister of Marine made a full and careful enquiry into all the facts of the case, and having satisfied himself that the period for which the license in question was suspended might be shortened, he so ordered and the license was accordingly returned to the pilot forthwith.

This confirms our opinion, as previously expressed, that decisions of the Wreck Commissioner should not be subject to reversal by the political head of a Government department, on whom political influence may be brought to bear, but should be only appealable to a judicial body.

I quite understand what influence is brought to bear on my hon. friend when similar cases happen, and I think he should be the first to give way to another authority than his own so as to protect himself against himself and the public also. I therefore hope that in future my hon. friend will not give way to the political influence which is brought to bear upon him, and that he will see that, if a pilot is found guilty and if he is suspended, the suspension will run its full course. There is certainly among shipping men and the general commercial world in Canada great dissatisfaction as regards the administration of our pilotage in the river St. Lawrence. This affects the whole of the Dominion. It has affected the insurance rates. We have been clamoring for years and years that all possible advantages shall be given the St. Lawrence, and we have been trying to secure for Montral and Quebec all the orders possible, not only from the Canadian West, but from the American West. But, in view of the many accidents which have taken place, insurance rates have gone up and the trade of the St. Lawrence nas suffered accordingly. I hope, therefore, that this Bill will prove to be a move in the right direction. My hon. friend, I am quite sure, will understand full well that he should be very chary about altering the decisions which are rendered by those who supervise the work of the pilots after an accident has taken place.

Mr. BICKERDIKE: I want to congratulate the hon. the Minister of Marine and Fisheries (Mr. Hazen) on having taken a move in the right direction. There is one thing that has always struck me as peculiar and it is that, according to the law, you are not obliged to take a pilot, but you are obliged to pay pilotage. I know some captains of steamers who do not take a pilot at all. They consider themselves better pilots than any of the pilots we have on the river. It does seem strange that the captain of a vessel is obliged to pay pilotage whether he takes a pilot or not. I am very proud that my hon. friend the ex-Postmaster General (Mr. Lemieux) has brought out the fact that all of these accidents or nearly all of them happen below Quebec. We have few, if any, accidents above Quebec.

Mr. SINCLAIR: What is the reason?

Mr. BICKERDIKE: The pilotage system is a little better and there is little or no danger above Quebec. You could almost run a ship up the channel there as easily as you could drive a team up St. Lawrence Main street. There are lights on each side so that there can be no mistake. You are just about as safe there as if you had a barbed wire fence on either side. I cannot understand why pilotage should be compulsory while the taking on of a pilot is not compulsory. This system was in existence

long before my hon. friend the Minister of Marine and Fisheries took office. I know captains who have been coming here regularly for the last twenty years, and they know just as much about the route as many of the pilots, if not more, and it is not fair that these men should be obliged to pay pilotage when they do not require a pilot and do not take one on.

I do think the minister might be able to arrange that. I cannot understand that there is any argument in favour of making a man pilot his own ship and then making him pay pilotage.

Mr. HAZEN: I am glad that my hon. friend from Rouville (Mr. Lemieux) and my hon. friend from St. Lawrence (Mr. Bickerdike) approve generally of the measure that is now before the committee. My hon. friend from Rouville has pointed out that there has been more or less dissatisfaction for a number of years with the pilotage system, and perhaps with the administration of that system upon the St. Lawrence. We have two sets of pilots, one between Montreal and Quebec, and the other between Quebec and the ocean. Both these were considered by the commision, which consisted of Mr. Robb, the president of the Shipping Federation, Captain Lindsay, the Wreck Commissioner, and Mr. Adjutor Lachance, who was then president of the Quebec Pilotage Corporation. It is to carry out the recommendation in their report that this Bill is introduced. Nearly all the recommendations of that commision have been carried out, but as most of them were of a character that did not need legislation they could be made effective by regulations. This applies to all the recommendations respecting the Montreal pilots, which were of a minor character. Generally speaking, the commission found that the Montreal Pilotage Division was in a most satisfactory condition. It is true that very few accidents take place between Quebec and the city of Montreal, although the large vessels which come up to the port of Montreal have to traverse a channel which in some places is not more than a few hundred feet wide. The Montreal pilots discharge their duties so well, and the aids to navigation are so good that, as my hon. friend (Mr. Bickerdike) said, very few accidents take place.

Mr. LEMIEUX: You can navigate between Montreal and Quebec, day and night, as safely as you can walk Sparks street.

Mr. HAZEN: The important regulation is with regard to the pilots who have jurisdiction from Quebec to the sea. The Bill before us places the control of pilotage matters in the hands of the Minister of Marine who shall make regulations with regard to the apprenticing of the pilots and all matters of that sort which are now in the hands of the corporation of pilots which was established in 1860.

Mr. BICKERDIKE: A family compact.

Mr. SINCLAIR: What about the pilots above Quebec?

Mr. HAZEN: They are under the control of a superintendent of pilots appointed by the Marine Department.

Mr. BICKERDIKE: They are all good men.

Mr. HAZEN: The Pilotage Commission recommended the abolition of the Pilots Corporation, but this Bill does not go as far as that. The corporation is an ancient institution, with traditions attached to it which are valued by the Quebec pilots, and I could not see any purpose in dissolving the corporation, because if you did abolish the corporation it would be quite open to these pilots to be incorporated for their mutual advantage and for social and other purposes under the laws of Quebec. This corporation has managed admirably what is called their pilot fund and which is a pension fund. They always invest their money for that fund subject to the approval of the Marine Department and the department of late years, before approving of the securities which the pilots might invest these moneys in have adopted the practice of asking the opinion of the Finance Department with regard to the investment. I could see no reason why that power should be taken out of this corporation, and without wounding unnecessarily the suceptibilities of these men and without interfering with their traditions we have placed the control of these pilotage matters below Quebec in the Department of Marine and Fisheries, as pilotage matters above Quebec have been placed for some years past. We have appointed Captain Lindsay, who is retiring from the position of Wreck Commissioner, to have superintendence over the whole pilotage and his office will be at Quebec. He will have superintendence over the Montreal pilotage replacing Captain Riley, and also superintendence over the Quebec pilotage; Mr. Talbot continuing superintendent of Quebec pilots as at present.

Mr. LEMIEUX: Who will take Captain Lindsay's place?

Mr. HAZEN: No appointment has been made but it will have to be made soon.

Mr. SINCLAIR: Does this involve the dismissal of any of the pilots.

Mr. HAZEN: No, but if the pilots from year to year are unable to pass the examinations prescribed they will have to pass to one side. They are examined yearly with regard to eye sight and physical condition, and if a pilot cannot comply with these tests, then in the interest of the safety of life and property he cannot be allowed to continue.

Mr. SINCLAIR: Hints were thrown out that some of these pilots were incompetent, will we have to wait until they are dead to get rid of them?

Mr. HAZEN: There is an age limit of sixty-five and while there are men over sixty-five who are quite as good as they were at forty-five, yet a hard and fast rule must be laid down in these matters, even though it should work hardship in individual cases. There are only three of the Quebec pilots in active work who are over sixty-five years of age. The objection taken by the pilots to the report of the commission was submitted to the department and considered by myself and my officials. We are not interfering at present with the pilots pooling their earnings. Their system is to pool all their earnings and divide them into equal shares amongst themselves. There is a misapprehension in some quarters, to the effects that if a pilot is suspended for a certain length of time it is no punishment to him because he gets his share of the earnings just the same as if he were at work. That is not the case. If he is suspended he does not share in the earnings during the period of his suspension. If the pilots are disposed to pool their earnings it is difficult to see how it could be prevented even though we thought it desirable to do so.

If they choose to enter into an agreement that they will pool the earnings and divide them amongst themselves, as is certainly done in other ports in the world, I do not see how you can make legislation that will prevent them from doing so. We do not think that we can do so for the present year at least, and we thought it better to wait for further developments before acting on the report of the commission so far as that feature of it was concerned. We hope that the changes made will have the effect of improving the pilot system on the St. Lawrence below Quebec, and that there will be fewer wrecks than there have been in the past. There is no doubt that there have been too many wrecks. For two or three years there were very few wrecks, but these things seem to come in a rush. Misfortunes come not singly, but in battalions. For a few years there were so few wrecks on the St. Lawrence that Mr. George Davey, who had a bonus from the Government for conducting a wrecking plant, threw up the contract because he was making practically no money. The only earnings he was getting were the bonus he was receiving from the Government.

Mr. LEMIEUX: That was under the Liberal Government.

Mr. HAZEN: Perhaps my hon. friend may claim the credit for that. The year before last there were a good many wrecks on the St. Lawrence, but last year there were very few, and the damage that resulted was very slight indeed. This year, however, we seem to have started at the very opening of navigation with several disasters, although very little real damage has resulted from them. Yet they are most unfortunate, and, coming at a time when attempts are being made to get lower insurance rates on the St. Lawrence, they naturally fill the underwriters with alarm, and they say there must be something wrong when these disasters occur.

Mr. LEMIEUX: It never rains but it pours.

Mr. HAZEN: That is an old maxim, in which there is a good deal of truth. My hon. friend has referred to the accidents to the Saturnia, and the Montfort, the judgment of the wreck commission and also some remarks made by Mr. Meredith, who was counsel for the Marine Association at the inquiries that were held before Captain Lindsay and his associates. In my opinion, while I should not take a newspaper report too literally, I may say that I do not think there is justification for Mr. Meredith or for any one else uttering such statements as are attributed to him in the Montreal Star in the interview read by my hon. friend from Rouville (Mr. Lemieux). There was not a single witness at either of those inquiries who ventured to express the opinion that the absence of aids to navigation had anything whatever to do with the accident in either case. I would like to read to the House the judgment in the case of the Saturnia, which is comparatively short. I will only read the conclusion to show the House that the very

contrary is the case, and I fail to see how Mr. Meredith could have made such a statement as attributed to him in the Montreal Star. The finding in the Saturnia case is signed by Captain Lindsay, Captain Francis Nash and Captain J. O. Grey. These two latter gentlemen will be known to my hon. friend from the St. Lawrence division (Mr. Bickerdike). I believe they are old shipmasters familiar with the St. Lawrence river. The finding is as follows:

After carefully considering and reviewing the evidence adduced, the court is of the opinion that the stranding of the steamship Saturnia, in the Lower Traverse, river St. Lawrence, on the morning of the 28th of April, was caused by the action of Jules Lachance, the pilot, inasmuch as he appears to have no confidence in himself as to the manner of navigating the vessel through this channel, and apparently did not make proper use of the usual day marks for safe navigation, and it is the unanimous opinion of the court that the vessel touched the ground on the south side of the channel, and close to the old Lower Traverse block, and this probably accounts for the pilot not seeing the buoy moored off the block, as the vessel must have passed almost over it just before or after striking the ground.

The court also considers that when in doubt as to his position, and lacking confidence in his ability as a pilot, he should have sent for the master to assist him in the navigation of the vessel. The court therefore considers that the pilot did not show either ordinary skill or good judgment, in attempting to pass through the Lower Traverse channel under the existing conditions, and therefore suspends the license of Jules Lachance, the pilot, for a period of three months from this date.

In view of the master, David Taylor, knowing that the Lower Traverse lightship was not on her station, and the risks attending the navigating of these narrow channels with a strong flood tide, the court is of opinion that the master ought to have been on deck after passing Cape Goose, and censures him for this negligence.

The fact of the Lower Traverse light vessel not being on her station at the time of the casualty, does not appear to the court to have any bearing on the matter, as the Saturnia had passed the position where the light vessel would have been moored, some minutes before the accident, and, had the light vessel been considered necessary for safe navigation, both the master and the pilot were taking undue risks in trying to navigate the Lower Traverse with the full knowledge that the light vessel was not there.

That is an absolute finding, which I think is the very reverse of the statement made by Mr. Meredith, as I comprehend it. The same thing occurred in regard to the Montfort.

The finding in that case is in part as follows:

The court therefore suspends the license of François Gaudreau, the pilot, for a period of three calendar months from this date. No blame in the opinion of the court can be attached to the master and officers of the ship, as everything appears to have been done by them to assist in the proper navigation of the vessel, and the court considers that the master was perfectly justified in taking the ship out of the pilot's hands, although unfortunately not in time to prevent the stranding, and commends him for his action. The fact that all the aids to navigation were not in place on April 27, in the opinion of the court, has no material bearing on the stranding.

I will not discuss these findings, because it may not be proper that I should do so for the reason that, under the law as it exists there may come an appeal to me, by the captain or the pilot or any one else who has been censured, against the ruling of the court. Under the law as it exists at present, while there is a Wreck Commission appointed, whose duty it is to attend to these matters, yet the minister can appoint any one else who is an official of the department or who occupies a judicial position in the country to hold an inquiry, so that if an appeal came to me, I might, subject to the statute, try the matter myself, or I might order a rehearing before the same court under certain conditions laid down in the statute, or I might order a hearing before any one else in the classes I have specified who might be named for the purpose.

My hon. friend also referred to the judgment of the admiralty division of the high court as to the position of the captain. I do not think, as I caught the judgment as read by my hon. friend, that it in any way changes the law as the law has been known to exist for a great many years past. I think it has always been recognized that, when a pilot is on a ship, he is in command of the vessel, but the captain's duty is to assist the pilot.

Mr. BICKERDIKE: I think the hon. gentleman is in error. The captain is always in command of his ship, and the pilot is only there as an assistant to him.

Mr. HAZEN: I do not think so.

Mr. BICKERDIKE: I know it, or else the law has been only recently changed. That was the law.

Mr. HAZEN: I think, when a pilot goes on a ship, he takes full charge of the ship. I know my hon. friend has a good deal of experience in shipping matters and I speak subject to correction, but I think I am correct in my statement. My hon. friend from the St. Lawrence division referred to the fact that a ship has to pay the full pilotage

whether she takes on a pilot or not. That is correct in many ports in the world. It is correct, I know, in the port of the city where I live, namely, in the port of St. John. Ever since I can remember there has been a controversy over this question whether there should be compulsory payment of pilotage or whether, if a captain is capable of bringing in his own vessel and actually does so, he should not be compelled to pay pilotage. It is a vexed question with shipping people and different views are held upon it. But I think that the argument on which compulsory payment of pilotage is justified is this: You must have an efficient staff of pilots if you are going to have a port well equipped so that vessels may be brought in and out, which staff must be composed of men who have the local knowledge requisite; and you will not be able to maintain a thoroughly equipped corps of pilots unless you pay the pilots suitable salaries, and you cannot pay proper salaries unless you make the shipping that comes in and out of the port pay pilotage fees for that purpose. Unless you pay your pilots proper sums for their services, the funds being raised by a tax, as it were, on the vessels coming in and out of the ports, you will have pilots who cannot efficiently discharge their duties; and as the pilot must pass an examination and submit to different tests, as he must have a license and observe fixed rules, it is only fair that he should be properly paid. And it is in the general interest of the shipping and of the trade and commerce of the country that the pilots should be properly paid, and therefore that the different ships should contribute the necessary funds. For, while a ship that comes into Quebec, let us say, may not need a pilot, yet, that ship going to a port in Brazil or some other part of the world, will need a pilot, and it would not be possible to have a pilot service there unless the vessels using that port were compelled to pay their fair share towards maintaining the system. That is the argument, I think, on which the system is based. There is an argument on the other side, and I have heard the question argued both ways. You can never get the advocates of the different sides to agree about it. Certainly, that is the consensus of opinion on which the practice is based—that if you are going to have an efficient corps of pilots you must have a system of compulsory payments.

[Mr. Hazen.]

Mr. BICKERDIKE: Will the hon. minister tell us whether they are going to adopt the 'tour de role' system in Quebec?

Mr. HAZEN: As I understand the system in Quebec, the big liners that come regularly into the port, the Allan liners, the Canadian Pacific Railway liners and the others, are allowed at the first of the season to make a selection of the men they want to pilot their vessels up and down, and these men are employed by them for that purpose. The others are put on what is called the 'tour de role' and take their turn. The men on the big liners, of course, earn more money, but under the system that is pooled with the others, as the pilots consider it fair it should be. I think I have mentioned all the matters which it is desirable I should refer to, but if there are any others, I will be obliged to hon. gentlemen if they will let me know.

Mr. SINCLAIR: Will there be any reduction in the rates?

Mr. HAZEN: There is no provision for reduction. But, so far as I know, there is no complaint about the rates. The ship owners are satisfied with the rates. As a matter of fact, it was thought that the rates at Montreal were not high enough and they were raised. The commission having on it a representative of the Shipping Federation of Canada made a request for this increase for the pilots, in the Montreal division. What the shipowners want is to get more efficient pilots—it is not a question of rates but of more efficiency.

Mr. SINCLAIR: Will they get the same amount when the captain pilots his own ship?

Mr. HAZEN: On the St. Lawrence it is the same, but there are ports where the full amount is not charged.

Mr. SINCLAIR: I would suggest that it would be worth while to consider whether half the pilotage rate would not be sufficient to charge when the captain is so well versed in the river that he is able to navigate his own ship. I have heard that pilotage is considered an onerous tax on the coal trade, for instance, where the captains go once a week or once a fortnight up the river, and know the river as well, perhaps better, than many of the pilots. These men do not take pilots, but they have to pay the full pilotage rate. I think it would be fair to make the rates on the St. Law-

rence in such cases half the regular rates, as is done in many other ports.

Mr. BICKERDIKE: There was one point to which the hon. minister did not make reference. I asked a question whether the captains of most of the steamers coming here who could pass the examination would have a pilot's certificate the same as the pilot. That is a question we have had before us for a long time, as the hon. minister knows.

Mr. HAZEN: Under the regulations as they existed for a long time, and as prepared by the corporation of pilots, they would not.

Mr. BICKERDIKE: Would they now?

Mr. HAZEN: That is a question to be considered.

Mr. BOULAY (Translation): Mr. Chairman, as the hon. member for Rouville (Mr. Lemieux) said, the pilots have had distributed to the members of this House a memorandum in which they bitterly complain of having been treated unduly by the investigating commission at Quebec last year. Here is, among other things, what I find in this memorandum:

> What we desire is that any one who can suggest anything which may further the interests of the pilots, or of the shipping interests, or of the trade on the St. Lawrence will be welcomed before us, and we will be glad to hear the views they may wish to express.

To which the pilots replied:

> We, pilots, were not long deceived by those honeyed words of the chairman of the commission, because we soon perceived the aim of this investigation which caused us so much trouble and expenses.
>
> The very first evidences taken were sufficient to show that the end sought was not to discuss the dangers of the river St. Lawrence, and the aids to the navigation of the said river. The only danger seemed to be the Corporation of Pilots, and the way they manage their money so well earned. The real dangers of the St. Lawrence, lights, buoys, etc., went in the second place.

Were this assertion of the pilots true, it would constitute a most serious charge indeed against the commission entrusted, last year, with making an inquiry on their account.

As regards the management of their funds, I see that section 3 of the present law seems to give them justice—I mean the management of the pilots' chest. I notice, a little further, in this memorandum, the following remark:

> Apprentices are required at present to be examined in both English and French. If the commissioners are of opinion that a man speaking and writing one language is superior to another speaking and writing both languages, let them cherish that idea, this will not surely increase nor diminish the rates of insurance on the St. Lawrence.

I understand that, according to the new legislation, the apprentices are required to be examined in both English and French. I do not agree with the commissioners on this point, since they seem to have ruled that one language is enough. Any man who is called upon to hold public office in the province of Quebec, whether in the Marine, Public Works or Customs Departments, should certainly be able to speak both languages. This is a drawback which is very often found with a good many public servants and, of course, most serious inconvenience is derived therefrom. I would like to know whether the hon. minister has inserted a provision to that effect, and whether the apprentices who are preparing at Quebec or at other places below Quebec to become pilots, and who are all French-Canadians, shall be required, henceforth, to know both languages.

Mr. PELLETIER: Just one word in reply to the hon. member for Rimouski, on the question which he has raised. This is a matter which should be regulated by the authority which governs pilotage, that is, by the hon. Minister of Marine. Of course, if a pilot wishes to be competent and able to understand the languages spoken on board of ships, he must know both languages.

A word, now, in reply to the hon. member for St. Lawrence (Mr. Bickerdike) who said that the Corporation of Pilots was a family compact. This is quite unfounded. This charge has been very well disproved by my colleague the hon. Minister of Marine. One has gone so far as to say that they continued to receive their pay even after being suspended. It is by means of such unfounded insinuations that one has succeeded in raising certain prejudice against the pilots of Quebec and of places below Quebec. I wish to say that the members of the Corporation of Pilots in Quebec and in localities below Quebec are, as a whole, as a body, most worthy, most devoted people, sticking like men to their duty. They get no pension, and when they have reached the age of sixty-five, their licenses must be renewed every year or else they lose the right to earn their living.

I wish to contribute my humble share of commendation to the career to which they devote themselves. They sometimes meet with accidents, but accidents happen to everybody, and I do not think that one

could find such fault with them as is done generally.

I must also congratulate the pilots upon the fact that the Minister of Marine becomes the pilotage authority. Both parties in this House are agreed to-day that the pilotage authority shall, henceforth, be vested in the Department of Marine, as it appears from the remarks made by the hon. member for Rouville and by the hon. member for St. Lawrence. This will amend certain drawbacks with which the pilots have been reproached in the past, and the effect of this law will be satisfactory.

Mr. GAUVREAU: Must I understand that the pilots get no pension after they have reached sixty-five years of age?

Mr. PELLETIER: No. I stated that the pilots lose their license at sixty-five years of age, and that, from sixty-five to seventy, they are required to be examined every year if they wish to continue their service.

Mr. GAUVREAU: Surely, the hon. minister said that they got no pension. When he reads 'Hansard' to-morrow morning he will find that he has said so.

Mr. PELLETIER: If I have said so, I made a mistake, or I did not speak plainly enough. I meant that they had the right to keep their license until they were sixty-five years of age.

Mr. GAUVREAU: I understood that part.

Mr. PELLETIER: And that, after they had reached sixty-five years of age, they were required to be examined every year until they were seventy years old, in order to get their license. And they get no pension from the state. That is what I meant.

Mr. GAUVREAU: This surprised me so much as to call forth the remarks which I made, for I am satisfied that they get a pension and I wished to know whether I was mistaken.

Mr. LEMIEUX: My hon. friend will remember that some months ago I called his attention to the fact that the Dominion Wreck Commissioner did not understand the French language. My hon. friend told me at the time that this was not the case; at all events he said that he would remedy the grievance. Personally, I do not know the fact, but I saw in the papers two or three days ago that during the investigation held in the case of the Saturnia a pilot represented by Mr. Choquette, one of the members of the Senate, complained very bitterly that the commissioners who were investigating the matter did not understand the French language, and that some of the witnesses had to give their evidence in English, much to their discomfort. I wish my hon. friend would look into the matter.

Mr. HAZEN: My hon. friend will find that the commissioner appointed to succeed Mr. Lindsay will understand English and French equally well.

Mr. BICKERDIKE: If a man were a first-class pilot and could bring my ship safely into Quebec, I would not care if he could speak but Hindu. I would not like to see it provided that no pilot that does not understand both French and English shall get a license.

Mr. McKENZIE: In my part of the country we are particularly interested in navigation on the St. Lawrence, and the more it is safeguarded the better we like it. I was glad to hear the hon. member for Rouville say that the navigating of the ships from Montreal to Quebec was as easy as walking along Sparks street, and I do not exactly understand why the conditions that prevail between Montreal and Quebec should not be extended down to the sea. We have in the county of Cape Breton a system of pilotage, but as the pilots seldom come here for legislation we do not often have an opportunity of dealing with their interests in this House. I would like to know from the minister whether any new pilots have been appointed to the Pilotage Board of the county of Cape Breton or of Sydney harbour during the last year or two. Last year I brought to the notice of the minister the fact that some dismissals of pilots had been made at the time of the change of government. I do not think the Board of Pilotage Commisioners had any authority to dismiss any of these pilots for political reasons. The minister was good enough, I understand, to have some of these pilots put back in their positions, but I never had an opportunity of learning from the minister how many were put back. The last time I was in Sydney attending the Supreme Court I noticed on the docket the case of McGillivray versus Kimber, which was an action brought by one of the pilots for his pay against the secretary of the Pilotage Commission. I understand that after this pilot was put back on the service the secretary through whose hands the pilots receive the money out of the pooled earnings refused to pay him, and the matter found its way into court. I really do not know what became of the action, but

I would suppose that if a pilot were put back by authority of the Department of Marine and Fisheries, no secretary of the board would have any authority to deprive him of his share of the profits of his employment. Will the minister let me know what pilots were dismissed and put back, and whether they have the same status as they had before they were dismissed.

Mr. HAZEN: I am sorry that I cannot give my hon. friend definite information about the matter to-night, as I had no idea that when we were considering this Bill matters affecting Sydney would come up for discussion. I shall be glad indeed, however, to give instructions to the deputy minister to prepare a memorandum on the subject giving the information my hon. friend desires, and to have it mailed to him at an early date. My recollection is that a number of these pilots were restored to their positions, but I would not venture to make a positive statement about it now.

Mr. EDWARDS: Has the minister given any consideration to the very evident discrimination against Ontario vessel owners with regard to pilotage dues at Montreal? This matter has been the subject of negotiations in the past between the Ontario Government and the late Government, and of frequent representations on the part of the Dominion Marine Association. Section 477 of the Canada Shipping Act undoubtedly discriminates against Ontario vessels, which are obliged to pay pilotage dues from which vessels from the Maritime provinces, Newfoundland and the Atlantic States as far south as New York are exempt. I think I am right in saying first that there is a discrimination; second, that that discrimination is not just, and, third, that it should be done away with and Ontario vessel owners put on a parity with the vessel owners of the other provinces, with Newfoundland, and with the Atlantic States.

11 p.m.

Mr. HAZEN: I remember that certain representations were made several years ago with regard to this matter by the Dominion Marine Association. I think that certain arrangements were come to and certain concessions made which were satisfactory to that association and that as a consequence they ceased to press the matter any further. I have not the details in my memory to-night, but I shall be glad to look into the matter. I understand that all coal laden vessels coming from the Maritime provinces pay pilotage dues just the same as any other vessels on the St. Lawrence river. I will get the facts for my hon. friend and let him know just what they are.

Mr. EDWARDS: I introduced a Bill in the session of 1909, and again in 1910. I did so at the request of the Council of the Dominion Marine Association, who felt that Ontario vessels were not receiving fair treatment. Certain changes were made in the Act which, prior to June, 1908, gave exemption to vessels with a draught when loaded not exceeding sixteen feet, but that was changed, so that even that exemption was not allowed to Ontario vessels. The fact that Ontario vessel owners were obliged to take pilots on board their vessels at Montreal and to pay their dues and were not relieved of the slightest responsibility, seemed to me to add to the unfairness of the case. If any changes have been made since 1910 I am not aware of them.

Mr. HAZEN: Some arrangement was made. I shall look it up for my hon. friend.

Section agreed to.

On section 3—pilots' pension fund:

Mr. AMES: Is it the intention to make it impossible for the Corporation of Pilots to hold the pilotage money and to share it?

Mr. HAZEN: I have explained that we are not at present interfering with the right of the pilots to pool their earnings if they choose to do so.

Section agreed to.

Bill reported, read the third time and passed.

MONTREAL HARBOUR COMMISSION.

On motion of Hon. J. D. Hazen (Minister of Marine) the following resolution was considered in Committee, reported and concurred in:

Resolved, 1. That it is expedient to provide that the Governor in Council may, from time to time, advance and pay to the Harbour Commissioners of Montreal, hereinafter called the corporation, in addition to the moneys, if any, heretofore authorized to be advanced to the corporation by the Governor in Council by any Act, and which have not at the date of the passing of any Act founded upon these resolutions, been so advanced, such sums of money, not exceeding in the whole the sum of nine million dollars, as are required:

(a) To pay off and retire debentures of the corporation of the par value of two hundred and thirty-five thousand dollars, maturing in the year 1917, and

(b) To enable the corporation to complete the

construction of the terminal facilities of the port of Montreal, for which the plans, specifications and estimates have been approved by the Governor in Council, and to construct such additional terminal facilities as are necessary to properly equip the said port.

2. That during the period of construction of the terminal facilities mentioned in these resolutions, the interest payable on the debentures receivable by the Minister of Finance in exchange for such advance, shall be deemed to be money required to complete and to be part of the cost of construction thereof, and such interest may be paid out of the said sum of nine million dollars.

3. That the corporation shall submit to the Minister of Marine and Fisheries for approval, monthly applications for such advances, with statements showing total expenditure on different items in detail, and upon approval, authority for the payment of the amount applied for may be granted by the Governor in Council.

4. That the corporation shall upon any advances being made, deposit with the Minister of Finance debentures of the corporation equal in par value to the advance so made, repayable within twenty-five years from the date of issue and bearing interest payable half yearly, at the rate of three and one-half per centum per annum.

5. That the principal and interest of any sums advanced under any Act founded on these resolutions shall be payable, subject to the second of these resolutions, out of the revenue of the corporation mentioned in section 8 of chapter 10, of the statutes of 1896 (first session), and shall be a charge thereon as if the sums so advanced had been borrowed by the corporation under said chapter 10.

QUEBEC HARBOUR COMMISSION.

On motion of Hon. J. D. Hazen (Minister of Marine) the following resolution was considered in Committee, reported and concurred in:

Resolved, 1. That it is expedient to provide that the Governor in Council may, from time to time, advance and pay to the corporation of the Quebec Harbour Commissioners, hereinafter called the corporation, such sums of money, not exceeding in the whole the sum of two million dollars, as are required to enable the corporation to carry on the construction of such terminal facilities as are necessary to properly equip the port of Quebec.

2. That during the period of construction of the terminal facilities mentioned in these resolutions, the interest payable on the debentures receivable by the Minister of Finance in exchange for such advances, shall be deemed to be money required to construct and to be part of the cost of construction of the said terminal facilities, and such interest may be paid out of the said sum of two million dollars.

3. That the corporation shall submit to the minister of Marine and Fisheries for approval, monthly applications for such advances, with statements showing total expenditure on different items in detail, and upon approval, authority for the payment of the amount applied for may be granted by the Governor in Council.

4. That the corporation shall upon any advances being made, deposit with the Minister of Finance, debentures of the corporation equal in par value to the advance so made, repayable within twenty-five years from the date of issue and bearing interest payable half-yearly, at the rate of three and one-half per centum per annum.

5. That the principal and interest of any sums advanced under any Act founded on these resolutions, shall be payable by the corporation out of all its property, assets, tools, rates, dues, penalties and other sources of revenue and income whatsoever, and shall be a charge thereon next after, and have precedence in regard to payment next after all debentures or bonds issued by the corporation amounting to the sum of one million, one hundred and fifty thousand dollars, under chapter 48, of the statutes of 1898, chapter 34, of the statutes of 1899, and chapter 36 of the statutes of 1907.

SUPPLY.

The House in Committee of Supply.

Mr. PELLETIER: I do not intend to ask my fellow members to stay here any longer than they wish to stay. If my hon. friends on the other side of the House would like to refer to some particular matter at a later date when we again take up these Estimates, and if they would be kind enough to let me know what information they desire, I will have the papers here. As there are many branches in the department, 14,000 postmasters and 11,000 contractors, it is somewhat difficult for one to remember every case by itself. The main object in asking the House to go into supply was to enable me to make this request, so that I may be able, as far as possible, to give any information when we again go back into committee of supply.

Mr. CARVELL: I understand that the hon. Postmaster General wishes members to give him notice, not to-night, but at some future time, of the items which they would like to discuss?

Mr. PELLETIER: That is exactly what I mean. Hon. gentlemen may not have present in their minds the different points which they would like to bring up, but I would like to be given notice of all the matters which may be brought up, and about which papers have not been put on the table. As to postmasters or contracts, about which papers have been laid on the table, I take it for granted that the information is contained in those papers, but if there are some matters about which papers have not been asked, or, having been asked, have not been laid on the table of the House as yet, and in regard to which some information is wanted, as hon. members have the right to get information on

all these subjects, if they will write me a few words or let me know, I will do my best to have all the information at hand when we again go into committee of supply.

Mr. OLIVER: I would like to mention to the minister now some matters that I would be glad if he would give us some information in regard to. They are as follows: the establishment of a mail service and post offices on the line of the Grand Trunk Pacific westward from Jasper to Fort George; the establishment of post offices and post office facilities on the lines of the Canadian Northern main line construction between Tête Jaune Cache and Kamloops; the postal service and post offices on the line of the Edmonton and Dunvegan railway, with a statement as to what arrangements have been made, if any, for the forwarding of mails to the farthest point of construction.

Mr. PELLETIER: In what respect?

Mr. OLIVER: When the railway is under construction the camps are strung out for twenty, thirty, forty, fifty or a hundred miles ahead of the end of steel. It has always been a sore point on railway construction work that the men have to depend upon a mail service by the contractor, which is a very unsatisfactory way of serving the public of which these railway workers are a part. I wish to urge upon the department the desirability of taking care, on the responsibility of the department, of the forwarding of mail along the construction work instead of leaving it to the contractors. Hundreds, if not thousands, of men are employed in these construction camps, and they are entitled to a mail service. They do get a private service performed by the contractors. Naturally, it is not satisfactory, and I am going to urge upon the Government that they make it a public service on the line of the Canadian Northern from Tête Jaune Cache to Kamloops, a matter of 200 miles; on the line of the Edmonton and Dunvegan railway from Saw Ridge, 150 miles northwest of Edmonton, to the end of construction at Smoky river; and on the Edmonton and Great Waterways railway, between Edmonton and Lac la Biche. I would also like to get information as to the mail service in the Peace river country, not only the service to Vermillion on the north and Fort St. John on the west, but to Hudson's Hope, if there is a post office there; also the service down the Athabasca river as far as McMurray and Chippewayan; also the service on the Grand Trunk Pacific between Edmonton and Calgary; also the service on the Canadian Northern between Edmonton and Calgary, and, generally speaking, the postal services on all the new railway lines radiating from Edmonton in all directions.

Mr. PELLETIER: The notice given by my hon. friend from Edmonton (Mr. Oliver) that he will ask for this information is very helpful to us in getting ready to give him the information when we discuss this matter at a later date, and if there are any other hon. gentlemen who are ready to refer to any of these points now, we might devote five or ten minutes to that purpose.

Mr. TOBIN: Last year I moved for a return regarding the dismissal of the mail carrier between the station of Bromptonville and the post office. I see that this return was brought down on June 2 last, but it does not seem to be complete. From the return brought down in June last some of the letters are missing.

Mr. PELLETIER: My hon. friend and I have talked this very matter over several times, and he knows that there are some letters marked 'private' which are not on the file.

Mr. TOBIN: When I went to see the minister last year about this case, he called me into his private office and showed me the file. I asked him if I could have a copy of the documents upon it and he said: You will have to move for them. I moved for them, but when they were brought down I found there were letters on that file which are not in the return. I do not think it is right that the Postmaster General should refuse information to the House. The same thing occurred with reference to the correspondence about the carriage of the mail between St. François Xavier de Brompton and Windsor Mills. I have certain information that letters were sent to the Post Office Department which were not on the file brought down, and I do not think that is right.

Mr. PELLETIER: The rule has been well laid down in this House by the right hon. the leader of the Opposition, who was then Prime Minister, and everybody agreed to it, and I do not think it is possible to dissent from it, and that rule is that the papers which the minister has to bring down are those which are not marked 'private.' Further than that, Sir Wilfrid

Laurier said that a minister had a right to consider as private—and I speak now subject to correction, but I am pretty sure—papers which were not so marked, but the nature of which was private. That being the rule I do not see why I should be asked to bring down confidential letters. I have shown the hon. member for Richmond (Mr. Tobin) as a personal friend, certain letters, but when it comes to placing papers on the table I do not consider myself bound to bring down confidential letters. No minister has ever done it, and I do not think I should.

Mr. BOIVIN: Some ministers read them in the House.

Mr. CARVELL: The Department of Labour is not included in that.

Mr. TOBIN: The minister showed me the file in his office and we read the letters over, and when I asked him about getting copies he said I would have to move in the House for them. I did move but they were not brought down. Will the minister show me these letters that are not on the file if I go to his office?

Mr. PELLETIER: Did not my hon. friend state a moment ago that I had shown him these letters?

Mr. TOBIN: Yes, when I went to your office first.

Mr. PELLETIER: I would show my hon. friend privately letters which I would not place on the table of the House, and I think that course is to be commended.

Mr. TOBIN: If I call at the office will the Postmaster General show me that file so that I would be able to look over the private letters. He showed me them last year?

Mr. PELLETIER: Am I right in assuming that the hon. member wants to carry them better in his memory now than he did last time?

Mr. TOBIN: I would like to look at these letters once more; will you do it?

Mr. PELLETIER: I will have to think it over, but if I show private letters once to a friend and he wants to see them again I should like to understand first what his object would be.

Mr. TOBIN: The Postmaster General understands my object well enough. If I remember aright some of those letters on that file and which were not brought down were not marked 'private'. I think I could name some of them. I know something about these private letters, and if I had not known, the minister would probably not have shown them to me.

Mr. PELLETIER: I will have the matter looked into.

Mr. ETHIER: I moved for certain papers concerning the dismissal of a postmaster and when they were brought down a petition asking for the dismissal of this gentleman and the appointment of another in his place was not on the file. Would the minister consider such a petition private?

Mr. PELLETIER: There would have to be some special circumstances about it.

Mr. ETHIER: The postmaster at Ste. Scholastique, Mr. Raymond, has been dismissed and I know there were petitions signed in Ste. Scholastique asking for his dismissal and recommending two persons in his place, namely, the actual postmaster and Mr. Sauvé. When I moved for all the correspondence, petitions, etc., with reference to the matter, the papers were brought down but those petitions were not included.

Mr. PELLETIER: I will look into that.

Mr. ETHIER: There were many persons surprised that these petitions were not on the file. I am certain they are not of a private character.

Mr. PELLETIER: I will instruct the officer in charge of the branch to look into it to-morrow.

Mr. MORPHY: I would like to bring to the attention of the Postmaster General a matter which I think properly comes under this item. I refer to the case of one William P. Tye, who was a mail clerk in the public service. On the 4th of February, 1911, while on duty between Richwood and Paris, I think on the Grand Trunk railway, this employee was on a train which was wrecked. The result of the wreck was that the car in which Mr. Tye was performing his duties was burned, and he lost his life. Nothing was found of the poor unfortunate man's remains, the only thing that was discovered being the bunch of keys that he had carried in his pocket. Application has been made to Mr. Clare, the hon. member for South Waterloo, by the widow who lives in that riding, and I have a letter from the son of the deceased who lives in the riding that I have the honour to represent. It appears that the car in which this man was performing his duties was of ancient construction; and the other cars being more modern were

stronger, and the impact was more felt in the car in which he was riding than in the other cars. As a result it was crushed in the impact, set on fire; and as I said before, his body was cremated. The widow was granted by this Government what is said to be the usual allowance, namely $200, equal to two months' salary. She has four children; and if she had been left to the tender mercies of the usual methods pursued by Governments, she would be rewarded with the $200 which she has actually received. The circumstances are rather harrowing in their details, and I do not intend to give them. It is sufficient to say that Mr. Tye had been thirty-three years in the public service as mail clerk for the various governments of this country, and he had paid into the superannuation fund during that period a sum of between $500 or $600. The widow gets back $200, and the Government keeps the rest. Under the circumstances it seems to me that a widow left to support a family of four children, having a husband burned to death in that manner and the remains cremated so that there was not even the opportunity for Christian burial, should at the hands of the Government receive some special treatment. If the man had lived two years longer he would have been entitled to superannuation. He was burned to death at the age of fifty-two years. His record, as shown by the department files, is honourable and absolutely flawless; he had been a faithful public servant.

Mr. EDWARDS: What salary was he getting?

Mr. MORPHY: $1,200 a year after thirty-three years' service. There is a sort of arbitrary rule that permits of the granting of some sort of gratuity when public servants die or leave the service, and I presume that is what this widow has received. I feel that I would be neglecting my duty if, on this item, I did not take the opportunity of asking the minister, according to the principles of equity that ought to govern governments and that would govern private individuals, to take this case into, not the ordinary formal way of putting it, his serious consideration, but his heartfelt consideration, and to place in the Estimates a substantial sum that would in some manner put the Government right in this case, perhaps by setting apart the sum of $5,000, an annuity to pay to the widow. I think that would be a fitting recognition of faithful service performed to all governments by a public employee who was so unfortunate as to lose his life under such harrowing circumstances. I therefore ask the minister to oblige the widow by rising to that height, to which I think the Government of this country ought to rise, and straining a point in this case. If he says: Where are you going to draw the line? If we do this in this case, we shall have to do it in some other case. In such an event I would make answer that these cases are very rare, and possibly all the members of this House will have passed away before such a thing occurs again. If you compute the interest upon the sums paid in for thirty-three years from year to year, and bear in mind that nothing whatever has been received and cannot be received, I submit that it should meet with the approval of every member if a substantial sum is placed in the Supplementary Estimates for this widow. Mr. Tye's father was a good Liberal, but that does not prevent me pressing this just claim. I hope the minister will take the matter into his consideration and act accordingly.

Mr. PELLETIER: The case to which my hon. friend has referred is one deserving not only as he said of the ordinary form of consideration, but of special consideration. Mr. Tye was an old servant in the Post Office Department, who lost his life under very special circumstances. If that case had stood exactly as given to us here by my hon. friend, there would not have been any hesitation in giving something to the poor widow. But there is one important fact which I have found on the file when my hon. friend (Mr. Morphy) took up this matter with me. I may say that this is not the first time that he has taken up the matter. He has devoted to this cause a good deal of attention and care, and he is quite satisfied that he is right in what he says, because he is very keen in insisting on it.

The man was burned to death and the family was left in poor circumstances, but I have found the practice in the department which my officers have informed me has existed for years without one exception, that when we are called upon to give some compensation in cases like this, we never do it when the widow and children have had some other compensation. In this case the widow has had damages awarded to her by the court, and which were paid to her by the Grand Trunk Railway Company, to the extent of nearly $10,000—

Mr. MORPHY: To the extent of $9,400.

Mr. PELLETIER: —and that makes a difference, at least according to the department's usage. I may say that it does not entirely appeal to me as a conclusive reason for refusing the widow something. Of course, what we give under these circumstances we call a 'compassionate allowance'—that is how these amounts are always voted. And if it is a compassionate allowance, of course it is supposed to be the thing which the widow or children might have to depend upon. However, speaking for myself—because I intend to take this matter up with my colleagues, as I promised my hon. friend—I think there are two sides to that question. What the Grand Trunk Railway Company paid this widow she was entitled to by law, for it was given her under judgment of the court. Now, whether under these circumstances this country is absolutely relieved of all its duties and obligations towards the widow and four children of a man who has been so long in our employ, I do not like to say in an absolutely definite manner. My own desire and inclination would be the other way. But, as the matter is to be discussed in Council, if there is to be an amount in the Estimates, I cannot go further than that at the moment. But what has fallen from my lips shows my hon. friend that the matter has engaged more than the usual, formal, ordinary consideration. Further than this I am not prepared to go to-night.

Mr. KYTE: This afternoon, before the Postmaster General was in his place, I called attention to the fact that a return was not yet down, called for on the 16th of March, the correspondence relating to the carrying of the mails from Grand River to Grand River Falls, in the county of Richmond, and the awarding of the contract. I hope the Postmaster General will bring this down before his Estimates are again considered.

Progress reported.

On motion of Mr. Pelletier the House adjourned at 11.50 p.m.

Wednesday, May 13, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

THE FARMERS BANK.

Mr. LEMIEUX: In connection with the papers brought down with reference to the Farmers Bank, would the Minister of Finance lay on the table of the House the names of the depositors in La Banque du Peuple, the Ville Marie Bank, and La Banque St. Jean? I think these reports were submitted to Parliament some years ago.

Mr. W. T. WHITE: Usually that information is not available in the department, but if it is, I shall consider the advisability of complying with the request of my hon. friend.

BILL WITHDRAWN.

Bill No. 108, to incorporate the North-Western Railway Company of Canada.

MONTREAL HARBOUR COMMISSION.

Hon. J. D. HAZEN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 191, to provide for further advances to the Harbour Commissioners of Montreal.

Motion agreed to, and Bill read the first time.

QUEBEC HARBOUR COMMISSION.

Hon. J. D. HAZEN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 192, to provide for further advances to the Quebec Harbour Commissioners.

Mr. LEMIEUX: When we come to discuss this Bill in committee, will my hon. friend have with him a detailed statement of the dredging work performed by the Quebec Harbour Commission at Quebec?

Mr. HAZEN: I will have the details of all the work that has been done.

Motion agreed to, and Bill read the first time.

QUEBEC BATTLEFIELDS COMMISSION.

Hon. W. T. WHITE (Minister of Finance) moved for leave to introduce Bill No. 193, to amend the Act respecting the National Battlefields at Quebec. He said:

By this measure, the number of commissioners is increased from five to seven, and power is given to the commission to adopt by-laws for the administration of its affairs. The commission is further empowered to purchase, without the approval of the Governor in Council, any lands which it may have been authorized previously by Parliament to acquire, provided that funds have been appropriated for the purpose and are at the disposal of the commission.

Those are the three changes provided for in the amending Bill.

Mr. SPEAKER: This appears to be a Bill which requires to be introduced by resolution. Section 11 says:

> No expenditure shall be made and no liabilities shall be incurred by the commission until funds sufficient to cover such expenditure or liabilities shall be at its disposal for the purposes of this Act.

Mr. WHITE: I was advised that it was not necessary to precede this Bill by a resolution, but I shall bow to your judgment in the matter. No expenditure is contemplated by the Bill unless it has been provided for by Parliament. Under the existing legislation the commission may, with the approval of the Governor in Council, purchase lands provided it has been previously authorized by Parliament to acquire such lands. The purpose of this amending Bill is to prevent the delay which arises in the purchase of land, and which in the past has resulted disadvantageously to the commission in purchasing lands. The object of the provision which Your Honour has under consideration is to enable the commission, without obtaining the approval of the Governor in Council, to purchase properties, provided that the acquisition of such properties has been authorized by Parliament, and provided also that moneys for the purpose have been appropriated and are at the disposal of the commission. If Your Honour has any doubt as to the matter upon further consideration, I shall of course be glad to defer to your judgment and proceed by way of resolution; but I had been advised that it was not necessary in this case.

Mr. SPEAKER: On looking over the section more carefully, I think perhaps the hon. gentleman is right. It says:

> No expenditure shall be made and no liabilities shall be incurred by the commission until funds sufficient to cover such expenditure or liabilities shall be at its disposal for the purposes of this Act.

If it were necessary to move by way of resolution, it would be only on this one section of the amending Bill. I will look into the mattter and find out what is the correct procedure.

Motion agreed to, and Bill read the first time.

CO-OPERATIVE CREDIT SOCIETIES.

Hon. ARTHUR MEIGHEN (Solicitor General) moved for leave to introduce Bill No. 194, respecting Co-operative Credit Societies. He said:

No lengthy explanation will be necessary as the same Bill, with the exception of a few amendments, was introduced by myself last session. Furthermore, last session I had the honour of addressing the House upon the question at large. My remarks upon that occasion will apply to the present Bill, and I will explain it more fully on the second reading. This Bill provides for uniform machinery throughout the Dominion enabling the formation of co-operative credit societies. I do not need to describe the character of the societies for which co-operative credit is provided. They are societies, the principle of which is mutual loanings among its members of funds for the purpose of their commercial advantage. Certain restrictions are placed upon each society, and the general precautions provided under the previous Bill are embodied here. I may add that the Bill does not differ in any essential particular from that passed by this House, after a very thorough review in Committee, in 1907.

Sir WILFRID LAURIER: Is it the intention of my hon. friend to press this Bill during the present session?

Mr. MEIGHEN: That is my intention and my hope. I do not think it will entail the sacrifice of a great deal of the time of the House, because the attention of the House has already been given to the principle, and, in large measure, to the details. Consequently, I do not think I am asking a great deal of the House in asking that this Bill should pass.

Mr. NESBITT: Is it the intention to restrict the districts in which these companies work, or is permission to be given them to circulate all over the country?

Mr. MEIGHEN: It is Dominion-wide.

Mr. LEMIEUX: The previous Bill was passed by the House but rejected by the Senate. Is it the same Bill exactly or does it differ in some respects?

Mr. MEIGHEN: That is the Bill to which I referred in my opening remarks. The hon. member for Rouville (Mr. Lemieux) was chairman of the committee on that Bill, and that committee reviewed the measure in great detail. This Bill differs from that in some respects, but in principle it is the same. Any changes that have been made are dictated by the experience of banks that have been organized since that Bill was before the House.

Motion agreed to, and Bill read the first time.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

SCHOOL LANDS.

Mr. NEELY:

1. What disposition has been made of the south half of section 11, township 28, range 29A, school land?
2. If sold, to whom, by whom, for what price, and whether or not by public auction after due and proper advertisement?

Mr. ROCHE: The south half of section 11, township 28, range 29A, presumably west of the first meridian, has not been disposed of.

RIGAUD POST OFFICE CLOCK.

*Mr. BOYER:

1. What price was paid by the Government for the clock which it has placed on the post office building at Rigaud?
2. (a) When was it bought and (b) from what firm?
3. (a) What price was paid for the bell annexed, from what firm does it come and (b) what is its weight?
4. Was that clock and accessories placed by contract or by day work?
5. If by contract, who was awarded such contract?
6. Were there any other tenders? If so, what are the names of the tenderers and the amount of each tender?

Mr. ROGERS:

1. Clock account for £140 11s. 2d.; paid on account, £134 0s. 0d.; equal to $654.85.
2. (a) Delivered about October 14, 1913; (b) John Smith & Sons, Derby, England.
3. (a) Bell included in price for clock and supplied by same firm; (b) 800 pounds.
4. By day work.
5. Clock installed by A. E. Montpetit.
6. No.

EMPLOYMENT OF DARIUS CADRIN.

Mr. ERNEST LAPOINTE:

1. Is Mr. Darius Cadrin, of St. Anselme, county of Dorchester, employed in any of the departments of the Government?
2. If so, in what capacity, what does he get, either as salary or travelling expenses, and what is the date of his appointment?

Mr. CODERRE: Mr. Darius Cadrin is employed as acting preventive officer of customs since 14th November, 1913, at a salary of $700 per annum. He is the acting sub-collector at St. Anselme.

[Mr. Meighen.]

EMPLOYMENT OF THOMAS KINSELLA.

Mr. ERNEST LAPOINTE:

1. Is Mr. Thomas Kinsella, of St. Malachie, county of Dorchester, connected with any of the departments under the present Government?
2. If so, what is his position, how much does he get either as salary or travelling expenses and at what date was he appointed?

Mr. CODERRE:

1. Yes.
2. Inspector in River St. Charles' works, Quebec; salary, $3 per day; appointed 13th August, 1913.

EMPLOYMENT OF ISIDORE LACASSE.

Mr. ERNEST LAPOINTE:

1. Is Mr. Isidore Lacasse, of St. Henedine, county of Dorchester, connected with any of the departments under the present Government?
2. If so, what is his position, how much does he get either as salary or travelling expenses, and what was the date of his appointment?

Mr. CODERRE:

1. Yes.
2. Clerk of works, Quebec; salary, $100 per month; appointed 5th December, 1913.

MR. ALBERT MORIN.

Mr. ERNEST LAPOINTE:

1. Is Mr. Albert Morin, of St. Henedine, county of Dorchester, connected with any of the departments under the present Government?
2. If so, what is his position, how much does he get, either as salary or travelling expenses, and what was the date of his appointment?

Mr. CODERRE:

1. No.
2. Answered by No. 1.

MELVILLE POST OFFICE.

Mr. MacNUTT:

With further reference to question No. 9 of Thursday, April 30, what indirect requests or petitions, aside from those of the Melville Conservative Association, have been received by the Department of Public Works in connection with the erection of a post office building at Melville, Sask.?

Mr. ROGERS: Alex. Hardy offers to obtain a site.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Post Office—Outside service—Salaries and allowances, $6,429,920.75.

Mr. PELLETIER: On account of some misunderstanding, my officers inform me, in the Supply Bill which we have passed, which has gone through and been sanctioned, two items in the Supplementary Estimates for the year ending 31st March,

1914, were omitted. Those items are as follows:

Mail service: Ordinary land service, including rural mail delivery—Further amount required	$215,000
For mail bags..	25,000
For railways on account of new rates.	135,000
Mail service by steamboats—Further amount required..	1,400
Total	$376,400
Miscellaneous: Printing and advertising—Further amount required... ..	$125,000

I am informed by the officers of the House that we shall have to present a special Supplementary Estimate for these items. The Clerk of the House informs me that if the items were passed here, they must have been left out somewhere in the printing or in the course of the work. I am going to ask the assistant Clerk of the House to make some inquiry about them. Meanwhile, we may go on. The omission can be remedied in some way, but we shall have to verify the facts more completely. When we wanted to have the use of the money covered by these items, we were told by the Auditor General that the amounts were not included in the Estimates as passed. At all events, we will look into the matter.

Mr. LEMIEUX: I received a letter this morning which informs me that Mr. Briegel, superintendent of the railway mail service in Montreal, an old gentleman who has rendered faithful service to His Majesty for over forty years, is about to retire upon pension and that the department contemplates appointing as his successor Mr. W. L. Carkner, of Quebec city. Mr. Carkner has been in the service for two years only and has never passed the examinations which are required of the other officers. I do not know him personally and he may be a good public servant, but I would call the attention of the Postmaster General to the fact that there are in the post office department at Montreal other gentlemen, friends of his, who have been in the service a very long time and who should be entitled to promotion. I might name, for instance, Messrs. Méthot, Villeneuve and Forest. If the staff in the Montreal post office is not to be demoralized—my hon friend appreciates the sense in which I use the word—the principle of filling vacancies by promotion should be recognized. The railway mail service is a complicated service, and the man who is at its head should be fully equipped for his duties and fully cognizant of the conditions that exist all over the immense district of Montreal. I do not think it would be fair to the staff or in the interests of the service that a new man should be brought from another district and given this position in Montreal. Personally I know nothing about the facts, but I am informed that the hon. minister was approached on the subject, that he gave his decision in favour of Mr. Carkner and that the appointment is about to be made. I would like the hon minister to state whether or not this is the case, and whether or not he will follow the good old golden rule of filling vacancies by promotion, especially in a branch of the service which is certainly one of the most important.

Mr. PELLETIER: Mr. Briegel, who has been connected with the department for a very long time, has given most devoted and efficient service. If he is not quite as capable of working now as he was some years ago, on account of old age, his services are still very valuable to the department, and I shall certainly not ask him to resign or to be pensioned. If the time comes—and I hope it will not be in the near future—when he cannot accomplish his work in an efficient way, he will understand without anybody telling him what he should do. I am happy to say that that time has not yet come, and so far as I am concerned, I have had no requests from Mr. Briegel to be pensioned; my officers inform me that they also have received no such request. I certainly shall not touch upon the question of his successor until such request is received, for I would not do anything which would hurt Mr. Briegel's feelings.

Mr. LEMIEUX: So far as Mr. Briegel is concerned, that is quite satisfactory. I agree with my hon. friend that Mr. Briegel is an old and faithful servant and that he is quite capable of fulfilling his duties for many months, and, I hope, for many years to come. The hon. member for St. Lawrence is aware that Mr. Briegel is universally known in Montreal, and that he is very popular with the public on account of his courtesy and devotion to duty. It would be a thousand pities if he were removed and pensioned when he is still able to render valuable service to the department. I may say frankly to the hon. minister that the gentleman who informed me in the matter says that the minister was lately approached with regard to Mr. Briegel's successor, and that the hon. gentleman said that Mr. Carkner would be appointed immediately after the close of the session. I am glad, however, to take the word of the hon. Postmaster General that nothing of

the kind will happen. I have the highest regard for my Quebec friends, but surely there are enough public servants in the post office at Montreal able to succeed Mr. Briegel without importing one from another district. It that were done it would cause a great deal of feeling.

Mr. PELLETIER: It would be absolutely improper on my part to discuss the successor of Mr. Briegel when he is in charge of the office, and I intend that he shall stay in charge so long as he desires and so long as his services are efficient.

Mr. LEMIEUX: Hear, hear.

Mr. PELLETIER: I have not said to anybody that this matter was settled. I think it would have been indelicate on my part to do any such thing without having first heard from Mr. Briegel. So there is nothing decided, nothing settled. As to the question of bringing an officer from Quebec to Montreal or from Montreal to Quebec, I would not hesitate for a moment to do that if I thought it would be in the interest of the service. We have sent people from the East to the West and vice versa, and I believe that my hon. friend did the same thing. We are having some complaint about that in the West, but we consider the Post Office Department to be, to a certain extent, in the position of a bank which has branches all over the country. A bank will move its employees or clerks from office to office for the proper carrying out of its business and the efficiency of its service. While we are always prepared to give promotions to the employees of a branch in their own town, when any circumstances require that we move one employee from one district to another we shall certainly do so without being estopped by the question of the place where he formerly lived. The gentleman to whom my hon. friend from Rouville referred is a very good employee in the railway mail branch in Montreal. I understand that he is a very efficient help to Mr. Briegel, but there are others too. In other words I have not looked into the question, and I shall not look into it or decide it so long as our good employee Mr. Briegel is in charge.

I have made inquiries about the other matter of which I spoke and I find that the two items in the supplementaries for the year ending March 31, 1914, had been left in the portfolio of the clerk. We might dispose of them now. There are accounts due which should be paid out of these items, but of course payment cannot now be made.

[Mr. Lemieux.]

Mr. LEMIEUX: As these votes are in the Supplementary Estimates of the last fiscal year, I think the minister should inquire whether it will not be necessary for him to introduce a special Supply Bill.

Mr. PELLETIER: I have taken the opinion of the assistant Clerk of the House, who says that he has not the least doubt that we can pass the items now.

Mr. GRAHAM: But after the items have passed, as the Supply Bill for 1914 has gone through, it will be necessary to put these in a separate schedule of the next Supply Bill and have that passed.

Mr. PELLETIER: My hon. friend is quite right; that is what I am told.

Mr. TOBIN: A few days ago I placed a question on the Order Paper, which was answered by the Postmaster General. The question and answer are as follows:

Mr. Tobin:

1. Has Mr. J. R. Denison, postmaster of Richmond, Quebec, been dismissed? If so, on what grounds?

2. Was an investigation held? If so, by whom and did Mr. Denison have an opportunity of defending himself? If not, why not?

3. Has a new postmaster been appointed? If so, what is his name and who recommended his appointment?

Mr. Pelletier:

1. Yes. The management of the office was very unsatisfactory.

2. Serious complaints were made in regard to the management of the office and an official investigation was held. The inspector's report showed that a change in the postmastership was necessary.

3. A new postmaster has been appointed by the direction of the Postmaster General. His name is Wm. E. McIver.

It seems that the Postmaster General has a kind of brutal way—

Some hon. MEMBERS: Order.

Mr. TOBIN:—of dismissing old employees. Mr. Denison, who has been postmaster of Richmond for the past sixteen years, has, as far as I know, given satisfaction to the public; and up to April 22 last, I believe, he was not aware that any mistakes had been made in his office. But on the 22nd of April last he received this letter from the inspector of the district:

To the Postmaster,
Richmond, Quebec.

Dear Sir,

I beg to notify you that I have received notice from the department at Ottawa that you have been dismissed from the postmastership of Richmond for unsatisfactory management. The transfer will take place as soon as arrangements can be made.

In answer to that letter, Mr. Denison wrote to the inspector on the 23rd of April as follows:

L. E. Dastous, Esq.,
Post Office Inspector,
Sherbrooke, P.Q.

Dear Sir,—I beg to acknowledge receipt of yours of the 22nd inst., advising me that I have been dismissed from the postmastership of Richmond for unsatisfactory management.

I must say that this seems to me to be a very peculiar letter to have received, and I would ask you to register my protest against this, and to advise me wherein the unsatisfactory management has occurred. It seems to me that I should have been advised of any investigation which has been made into the working of this office, and to have had a chance to have put in my defence.

Will you please procure for me copies of any complaints which have been made against me, by whom they were made, and also what steps were taken to investigate this matter.

J. R. Denison.

I am surprised, yet in another way I am not, at the stand taken by the Post Office Department. It seems they have no regard for justice at all when they wish to distribute patronage. I quite understand that some weeks ago there was a tour through the Eastern Townships of certain members of this Government, and I have no doubt that one of the promises they made at Richmond was that Mr. Denison's head should be cut off to make room for one of their own friends; but why did they not dismiss him in the proper way? Why did they not hold an investigation and give the accused a chance to defend himself? If that had been done I should have had nothing to say, but, as it was, the man was dismissed without any investigation, and I would ask the Postmaster General why that investigation was not held? Mr. Denison would like to have the satisfaction of knowing what he was dismissed for.

Mr. PELLETIER: I am somewhat surprised to hear the hon. member for Richmond and Wolfe raising this question in the way he has done. Politics do not enter into this case at all. I want to tell my hon. friend at once that the Hon. Mr. Perley has not in any way been the cause of the dismissal of this postmaster. That question, to my knowledge, was never discussed at all during the visit which my two colleagues made in the Eastern Townships. I might say that for a long time previous to this dismissal it had been represented to me that the postmaster at Richmond was not giving the public satisfaction. I made inquiries, and was told that if I could leave this postmaster in charge it would be a good thing from some other point of view than the service, seeing that he was an old man; and I have kept him there for the last twelve or fifteen months. He was not accused of taking any part in politics, and that is not the reason for his dismissal. He has been dismissed purely from the point of view of efficiency in the transaction of the business of that post office—nothing more or less. My hon. friend says that an investigation should have been held. Let me tell my hon. friend that I did not go into this matter blindly. This man was dismissed as the result of an investigation. I am sure we have a report in the department from our officials notifying me that the business of the post office at Richmond was not transacted in a satisfactory manner to the public, and that a change should consequently be made. I have not the report before me, as I was not informed that this matter was going to be brought up, when I asked my friends opposite to let me know what matters they were going to deal with so that I might have the papers. My hon. friend has chosen to use the word 'brutal' in referring to this man's dismissal. I did not rise to a point of order at that word because I did not think the hon. member for Richmond and Wolfe, whom everybody knows is a very good fellow, really meant what is implied by that word. There was no brutality about it at all. The postmaster in question has been kept on for a long time, in spite of representations made to me that the business of that post office was not carried out as it should be. Gradually the representations became more pressing, but I said that I would not dismiss the man until the regular and proper investigation had been held. That investigation took place, and the report showed that there was nothing else for me to do but to replace this man in order to give efficient and satisfactory service to the public. Under the circumstances, I do not think the remarks of my hon. friend are just and fair to me.

12 noon.

Mr. TOBIN: Does the Postmaster General think it is right to dismiss this man after he has served the public for sixteen years? The Postmaster General admits that no complaints have been made as to Mr. Denison's interfering in politics. Mr. Denison is a Liberal, but he has never interfered in politics one way or the other. He is an honourable gentleman, who is

respected throughout the whole district; and I would ask the Postmaster General if he thinks it fair that Mr. Denison should receive such a letter of dismissal from the post office inspector without any other notice having been given? For the information of the Postmaster General and the House, I will read the letter once more:

The Postmaster,
Richmond, Que.

Dear Sir,—I beg to notify you that I have received notice from the department at Ottawa that you have been dismissed from the postmastership of Richmond, for unsatisfactory management.

The transfer will take place as soon as arrangements can be made.

Yours truly,
(Signed) L. E. Dastous,
Post Office Inspector.

The Postmaster General objects to my using the word 'brutal.' But is that word too strong, considering how this old servant has been treated? This man wrote to the post office inspector on the 23rd of April asking for an investigation, and a chance to defend himself. Was it unreasonable of him to expect British fair play at the hands of the Postmaster General? He was accused of mismanagement of the business of his post office, and he should not have been held guilty until the charge had been proved. But the Post Office Department does not want any light thrown on their investigations; they hold their investigations in the Eastern Townships in a dark room. Mr. Denison was not given a chance to defend himself. I am sure he is not looking for the small salary attached to that post office. He is a wealthy man, well able to provide for himself, but he objects to being dismissed in this way. I will ask the Postmaster General a direct question: Does he approve of that letter of dismissal that the post office inspector sent to Mr. Denison on the 22nd April?

Mr. PELLETIER: The post office inspector having received instructions from the Post Office Department to change the postmaster at Richmond had nothing else to do but notify Mr. Denison of his dismissal, and I cannot blame the inspector for doing what was his duty. My hon. friend seems to be under a misapprehension as to the facts. I told him a moment ago that I was not aware of any charge of partisanship having been made against this man. We have our regular officers whose duty it is to look into these cases of improper management of a post office, and who report to the department whether the office is being properly managed or not. In this case the regular course has been followed. We have a report which says that the management of the office was such that an investigation was held and that the change in the postmastership was desirable.

Mr. TOBIN: On what grounds?

Mr. PELLETIER: Had my hon. friend given me notice I would have brought the papers. I cannot remember the exact tenor of the report but I am almost sure I gave instructions to name another postmaster because of the report of the officials which justified that course. If I remember aright the report of the officer was such that I would not have done my duty had I kept that postmaster there. I am sorry to have to go so far in my statement, but it is the fault of the hon. member (Mr. Tobin) and not mine. I do not know the postmaster, I never saw him, but will the hon. gentleman say that when I have a report from the officers of the department telling me a change must take place on account of mismanagement, that I should refuse to act on that report?

Mr. TOBIN: I did not give the Postmaster General notice in the House, but last evening after the House adjourned I told him that it was my intention to take the matter up. I am pleased to hear the Postmaster General say there are no politics in this, but I know the contrary, and the supporters of the Government in the Eastern Townships know it also. The minister without portfolio and the Secretary of State could not stop off there during their visit but they had Mr. Baker. I do not know what you call him; I call him their sleight-of-hand man, that is the member for Brome; he stopped off there. Perhaps he expects to step into the gap some day and become a minister. The secretary of the minister without portfolio stopped off there also to settle some questions as to a site for a post office. When the Postmaster General gets the report of these gentlemen he will discover that his friends down there were not throwing bouquets at each other. Did the Postmaster General inform Mr. Denison that this investigation would be held?

Mr. PELLETIER: The investigation was held by the official of the department who was instructed to do so, and I cannot say whether notice was given or not. I feel

sure that the usual and proper course was taken. In what particular does Mr. Denison claim that he had no notice? Does he claim that he was not in the post office when the officers of the department investigated its affairs? I presume it was not done by the officer in the absence of the postmaster. Unless the report of the post office inspector is a pure fabrication, there was every justification for the dismissal of this postmaster.

Mr. TOBIN: Let me read the following letter from Mr. Denison to the post office inspector:

Richmond, P.Q., April 23, 1914.

L. E. Dastous, Esq.,
Post Office Inspector,
Sherbrooke, P.Q.

Dear Sir:—

I beg to acknowledge receipt of yours of the 22nd instant, advising me that I have been dismissed from the postmastership of Richmond, for unsatisfactory management.

I must say that this seems to me to be a very peculiar letter to have received, and I would ask you to register my protest against this, and to advise me wherein the unsatisfactory management has occurred. It seems to me that I should have been advised of any investigation which has been made into the working of this office, and to have had a chance to put in my defence.

Will you please procure for me, copies of any complaint which have been made against me, and by whom they were made, and also what steps were taken to investigate this matter.

Mr. Denison wrote me yesterday that he had not got any answer to that letter. I beg also to read the following letter from Mr. Denison:

I might say that about the 10th day of March, 1914, Mr. Dastous, the post office inspector, came to Richmond, and stated that he had a complaint and charge to lay against me, in connection with the office. I asked him what the complaint was, and he told me it was for allowing people who are not sworn to assist in stamping and assorting the mail, and he named W. J. Ewing, and Mrs. Powers. I told him that he was mistaken, as Mr. Ewing had been sworn in assistant postmaster about one year and a half ago, and that Mrs. Powers was duly sworn as assistant, the day she came into the office, and Mr. W. J. Ewing, J.P., administered the oath to her. The inspector seemed surprised at this, and asked me to show him the certificates; as the mail was being sorted, I asked him if he could not wait as at the present time I could not lay my hands on them, and he said he would take my word for it, if I told him I had the certificates when he came.

That is the only notice the postmaster had of what the Postmaster General calls an investigation. I do not wish to take up any more time in the matter, but I think I can ask the Postmaster General to investigate this case more fully, because the people of the Eastern townships, and especially the people of Richmond and Wolfe, have been treated very harshly by his department in the last two or three years. My hon. friends seem to have nothing to do but to make room for their Tory friends, and they do not even do it in a decent way. There is no use in holding a one-sided investigation. If these people have done wrong in taking part in politics, if they have not conducted their office properly, if they have not given the best service possible to the public, I am sure we shall have no complaints to make; but I am surprised when I hear the Postmaster General tell the hon. member for Rouville (Mr. Lemieux) that he is trying to run the Post Office Department on the same business principles as those on which banks are run. Before any little mail contract is given to-day, the Post Office Department calls for tenders, and two or three tenders are put in. If a Liberal is the lowest tenderer—

Mr. LEMIEUX: He is out of the game.

Mr. TOBIN:—why, the department will wait for a few weeks and finally write to the defeated candidate, who in some instances will not reply for months. Then they will get some of their Tory friends in the city of Sherbrooke, where there are a lot of lawyers looking for a few dollars, to write to the Postmaster General stating that if such a gentleman is offered a few dollars less than the lowest tender he will accept the contract. Yet the Postmaster General calls that running his department on the same business principles as those on which the banks of the country are run. When my hon. friend makes that statement, he knows that no business man in the country will believe him. Take the St. François-Xavier and Windsor mail services.

Mr. LEMIEUX: And Richmond and Wolfe.

Mr. TOBIN: The lowest tenderers were—

Mr. GAUVREAU: Do not give the names.

Mr. TOBIN: As I have the papers here, I might as well give the names. Tenders were called for the service on the 28th of February, 1913. The Postmaster General wrote to the defeated candidate, Dr. John Hayes, at Richmond, Que., on the 28th of February, 1913, as follows:

The following tenders have been received for the St. François-Xavier de Brompton and Windsor Mills mail service. Jos. Labbé, $175.

Mr. Labbé was the old carrier who had been carrying the mails there for the last ten, twelve or fifteen years.

George Morin, $175; T. Levasseur, $180; Pierre Salois, $200; E. J. Morissette, $200.

The first three, Mr. Jos. Labbé, Mr. Geo. Morin and Mr. T. Levasseur were Liberals, and Mr. Pierre Salois and Mr. E. J. Morissette were Conservatives. (Reading):

Jos. Labbé and Geo. Morin's tenders are equal, and the department would be glad to be informed which of these two you consider in the public interest more capable of performing a satisfactory service. An early reply would be appreciated.

Yours sincerely,
(Sgd.) H. B. Verret,
Asst. Deputy P.M.G.

On the 15th of March, 1913, the following letter was addressed to the Deputy Postmaster General:

H. B. Verret,
Deputy Postmaster General,
Ottawa.

Dear Sir,—Re tenders St. François-Xavier de Brompton and Windsor Mills mail service.

Mr P. Salois, one of the tenderers, I think, would give good service. I suggest it be offered him at $170 per annum.

Yours truly,
(Sgd.) I. Hayes, M.D.

Five dollars less than Mr. Labbé's tender, and ten dollars less than Mr. Levasseur's tender.

Mr. BUREAU: Shame.

Mr. TOBIN: What was done? Here is a letter written by Mr. Salois. On the 12th of April, Mr. Salois went to Sherbrooke, called on one of our friend's friends there, and had him write the following letter to the Postmaster General:

(Translation.)

To the Hon.
The Postmaster General,
Ottawa.

Sir,—I have tendered for the mail contract between St. Francis-Xavier of Brompton and Windsor Mills, at the price of $200.

I am ready to carry out this contract for $170. Hoping that you will favourably consider my request.

Believe me, Sir,
Your most obedient and devoted,
(Sgd) Pierre Salois.

That is the way in which business is run in the Post Office Department. There are hundreds of such cases throughout the eastern townships, and yet the Postmaster General tells us that he is trying to run the Post Office Department on the same business principles as those on which banks are run.

Mr. BUREAU: The Farmers bank.

[Mr. Tobin.]

Mr. TOBIN: Just on the same principles as those on which the Farmers bank was run. They have done the same thing at Bromptonville. An old gentleman there, eighty odd years old, was carrying the mail. He had a contract which ended on the 31st of March, 1914, and was receiving $120 a year for carrying that mail. The Post Office Department cancelled the contract a year ago last January, because one of the political friends of my hon. friend the Postmaster General said that this old gentleman must be disposed of and a younger man, who had probably voted Tory for the last two or three years, put in his place.

I have some further questions to put to my hon. friend.

Mr. BELAND: Will my hon. friend tell us who got the contract for the St. François-Xavier mail service?

Mr. TOBIN: Mr. Salois got the contract at $170 a year.

Mr. BELAND: He had tendered for $200?

Mr. TOBIN: Yes. When we were in power, if I went down to the Post Office Department and asked the Deputy Postmaster General and the superintendent of mail service to give a mail contract to so and so, they would say: This is a business department; and if we asked you to do such a thing in your business, you would say, 'no'. Well, we cannot do it here. I am glad to see the Deputy Postmaster General before the House to-day, because he can bear me out in that.

Mr. BICKERDIKE: That was some years ago.

Mr. TOBIN: That was previous to 1911. The department was run on different principles then.

On April 27 last, Mr. McCrea, the hon. member for Sherbrooke, put this question to the Postmaster General:

1. Has a new postal inspection district been created in Sherbrooke?
2. If so, how many new employees have been appointed in connection with the new district?
3. What is the total amount of salaries paid the new employees, including the inspector?

Mr. Pelletier:

1. Yes.
2. Five new employees have been appointed in connection with the new district.
3. $4,752 a year.

Mr. LEMIEUX: That is Sherbrooke?

Mr. TOBIN: Yes; a new district. Now, Mr. McCrea was informed by some of his friends that the answer could not be right, that if the department gave him that answer they were making a mistake, as more

was paid in salaries and more people were employed than was stated in that answer. So, on the 11th of May, he put a question and received an answer as follows:

1. What is the name of each person employed in the post office inspection department at Sherbrooke?

2. What is the remuneration paid to each individual, including the inspector?

Mr. Pelletier: The following persons are employed in the post office inspector's office at Sherbrooke:

Name, rank and salary—Dastous, L. E. M. inspector, $2,500; Soles, C. Edw., asst. inspector, $2,000; Doherty, M. M. L. (Miss), clerk 3-A, $1,000; Campbell, S. (Miss), temporary clerk, $500; Bousquet, P., messenger, gr. A., $2 a day; Downing, J. P., temporary help, $2 a day; Frechette, R. temporary clerk, $500; Lefebvre, J. P., porter, gr. C., $2.50 a day.

That makes a total of about $8,872.50 a year.

An hon. MEMBER: Which of these is the chauffeur?

Mr. TOBIN: I do not know, but he must be included. We see that on the 27th of April last the Postmaster General told the hon. member for Sherbrooke that the total cost of this office was $4,752 a year, and about fourteen days afterwards he gives items showing that the total cost is $8,872.50 —almost double. Yet the Postmaster General tells us that he is running his department on business lines. I would like to ask him what explanation he has of this difference arising within fourteen days.

Mr. PELLETIER: The department thought fit, from the point of view of business, to establish a branch of our inspection office in the city of Sherbrooke for the Eastern Townships. That existed years ago and was abolished. We have found that it should not have been abolished, that the Eastern Townships were entitled to a post office inspector's office though they had been deprived of it. Believing they were entitled to it, I gave it back to them, and I am proud of having done so.

Mr. A. K. MACLEAN: And you call it business to act on that ground?

Mr. PELLETIER: Yes.

Mr. MACLEAN: Then the post office inspection office is a matter of political patronage and favour, and not a matter of business.

Mr. PELLETIER: Not at all.

Mr. MACLEAN: That is what you said.

Mr. PELLETIER: I say the Eastern Townships were entitled to that office.

Mr. BUREAU: On what ground?

Mr. PELLETIER: The public interest.

Mr. LEMIEUX: Explain that.

Mr. PELLETIER: I took it for granted that my hon. friends would have guessed that, but, seeing that their minds are so far away from the public interest, I now state it.

Mr. A. K. MACLEAN: What about the reason the hon. gentleman gave a moment ago—that the office had been taken away, and they had the right to have it restored.

Mr. PELLETIER: These statements do not clash at all. The office had been established, and then it was abolished.

Mr. MACLEAN: Why?

Mr. PELLETIER: For some political reason.

Mr. TOBIN: To cut down expenses.

Mr. PELLETIER: It was necessary that it should be re-opened, because the business in the Montreal office was so great that it could not be taken care of properly. So we re-established that office. And we have established another one at Joliette.

Mr. LEMIEUX: One at Joliette?

Mr. PELLETIER: Yes, a branch. And I am re-instating the one at Three Rivers.

Mr. BUREAU: Hear, hear.

Mr. PELLETIER: I thought that would please my hon. friend.

Mr. BUREAU: It does not.

Mr. LEMIEUX: When was this done?

Mr. PELLETIER: We are doing it now. The amount was voted last session. The office at Joliette will be a branch of the Montreal office.

Mr. LEMIEUX: But Sherbrooke is by itself?

Mr. PELLETIER: Yes. We re-established the sub-inspectors' office at Three Rivers, and I think the district of Three Rivers, from the public point of view, is entitled to that. So shall I be told that because I have done this the department is not conducted in the public interest or on business lines as a bank would be? The banks have branches all over the country.

Mr. A. K. MACLEAN: But not inspection branches, there is only one inspection head office.

Mr. PELLETIER: No, they have district inspectors.

Mr. MACLEAN: But the Montreal bank eastern inspection district includes the Maritime provinces and Newfoundland.

Mr. PELLETIER: How is it that we hear so much about this now, when this vote was passed last session? My hon. friend from Richmond and Wolfe and my hon. friend from Sherbrooke were both members of the House then. Why did not they raise their voices against it?

Mr. BELAND: If we are to criticise all that comes before us the session will last the whole year.

Mr. PELLETIER: But it takes no more time to criticise it in advance than to criticise it afterwards. When it was proposed that money should be voted for this purpose there was unanimous consent, and now complaint is made about it. The hon. member complains of the number of employees there. There are five, if I am not mistaken. I think that one of these was in the post office at Sherbrooke before. There is another, Mr. Soles, to whom the hon. member refers. This gentleman was taken from the Montreal office on account of his experience and knowledge of the business of the inspector's office and transferred to Sherbrooke.

Mr. LEMIEUX: He belongs to the eastern townships.

Mr. PELLETIER: He originally came from there. He was a pretty good officer in Montreal, and when the office in Sherbrooke was re-opened, we had to have a man there with experience, so we asked Mr. Soles to go to the Sherbrooke office. He consented, and he is paid for his Sherbrooke work as he would have been paid for his Montreal work.

Mr. BELAND: Mr. Dastous was appointed in Sherbrooke ?

Mr. PELLETIER: Yes.

Mr. BELAND: Has he had any experience ?

Mr. PELLETIER: For a certain length of time—I would not care to state the exact number of months—Mr. Dastous worked in Quebec under the instructions of the Quebec post office inspector in order to learn what had to be learned about the duties of an inspector. That is a businesslike way, I should think, of administering the department. The other man, Mr. Soles, who was sent from Montreal, has had considerable experience, and we are satisfied that we now have in Sherbrooke an office which is a credit to the Eastern Townships, and which should not be criticised as it is to-day by hon. gentlemen opposite.

Mr. LEMIEUX: If I remember rightly, the Post Office Act requires that no one shall be appointed superintendent unless he has had a certain number of years' experience.

Mr. PELLETIER: That does not apply to inspectors.

Mr. BELAND: Was Mr. Dastous employed by the department before he was made inspector ? I always thought that he was a dealer in flour and grain in Sherbrooke.

Mr. PELLETIER: No, he was not connected with the department.

Mr. ROBB: How far west do the Sherbrooke and Three Rivers inspection divisions extend ?

Mr. PELLETIER: I will get the information for my hon. friend and give it to him this afternoon or to-morrow morning.

Mr. ROBB: Does the Sherbrooke inspection division extend to St. Lambert or St. Johns ?

Mr. PELLETIER: I should think that would be in the Montreal district. I will get the information.

Mr. BUREAU: May I ask the minister to give similar information as to the territory covered by the office to be opened at Three Rivers. Has the minister in view the person who is to be appointed as inspector ? If not, I might submit a name.

Mr. PELLETIER: An assistant inspector is to be appointed at Three Rivers. It is to be a branch of the inspector's office.

Mr. BUREAU: Under the control of the Montreal or of the Quebec inspector?

Mr. PELLETIER: Quebec.

Mr. BELAND: Has the hon. Postmaster General received applications for the position?

Mr. PELLETIER: A very great number.

Mr. BELAND: Would the hon. minister explain the difference between the two amounts given in answer to the same question asked on different occasions by the hon. member for Sherbrooke?

Mr. PELLETIER: One explanation would be that the salary of Mr. Soles, which is, I understand, $2,000, is not a new expenditure; it is paid at Sherbrooke instead of at Montreal. However, I will look into that and give my hon. friend the information.

Mr. BOIVIN: Before the hon. Postmaster General leaves the question of the Sherbrooke post office I think it my duty to resent the insinuation which he has just made against the Eastern Townships' members. In the course of a very able speech he insinuated that the hon. members from the Eastern Townships, including the hon. member for Sherbrooke, who is not in his seat, and myself, are opposed to the opening of an inspection office at Sherbrooke. I never said a word in this House in opposition to the opening of an inspection office in Sherbrooke; I do not think the hon. member for Sherbrooke ever said a word in this House against the opening of that office, and I fail to understand from anything which has been said by the hon. member for Richmond and Wolfe to-day that he is opposed to the opening of that office. The hon. Postmaster General, who continually rises in his place and tells hon. gentlemen on this side that they ought to be fair, should himself treat the members of the Opposition fairly and not put in their mouths words that they never uttered or make any such insinuations as he has made on this occasion.

Mr. PELLETIER: I made no insinuations whatever. What is the tenor of the discussion which has been taking place in this committee?

Mr. BOIVIN: The tenor of the discussion in this committee is whether or not the Post Office Department is run on a businesslike basis. The hon. member for Richmond and Wolfe was proving that it was not run on a businesslike basis, because two answers to the same question, given within fifteen days of each other, showed a difference of $4,000. The hon. member for Richmond and Wolfe said that that is not businesslike; there is no objection whatever to the opening of an inspection office at Sherbrooke.

Mr. PELLETIER: When I said that this should not be criticised because it was passed by the House last session, the hon. member for Beauce said: we have no time to criticise everything and it would take twelve months to do that.

Mr. LEMIEUX: That is because you bring these matters up at the end of the session.

Mr. PELLETIER: Whether at the end of the session or not, if it is wrong, I should be told that it is wrong; if it is passed unanimously, I take it for granted that everybody agrees. This discussion will be understood by the people as meaning that the expenditure which we are making in Sherbrooke for this inspection office is a useless expenditure and should not be made. I want there to be no misapprehension about this matter. Let us take it for granted that the hon. member for Shefford voices the sentiments of hon. members from the Eastern Townships. I give him credit for what he has said and I accept his word, but let it be well understood that all the hon. members from the Eastern Townships approve the opening of the inspection office at Sherbrooke.

Mr. BUREAU: Run on a business basis.

Mr. PELLETIER: Very good; what was wrong a moment ago is all right now.

Mr. BUREAU: That is not fair, Mr. Chairman. The hon. Postmaster General has the knack of making assertions that are not always exactly correct. He says that the public will be under the impression, from the discussion that has taken place here, that the expenditure which is proposed to be made in the Eastern Townships is useless. We may criticise the expenditure, but we may, nevertheless, approve the establishment of an inspection office in the Eastern Townships. We may criticise part of the expenditure, and we may admit that another part of it is all right, and it is not fair that the Postmaster General should come here and say: as a whole, you are opposed to the principle of this thing, and you must not criticise. My hon. friend asks us why we did not criticise last year. We had nothing to criticise. He was asking for an expenditure of money, and we thought that that money would be expended in the businesslike manner which he boasts of as being characteristic of the administration of his department. The hon. member for Richmond and Wolfe says that the hon. member for Sherbrooke put a question to the minister twice with regard to the amount of money expended in one particular office. The answer to these questions, put within two weeks of each other, showed a discrepancy of $4,000; yet the Postmaster General says that that is business. I submit that the hon. member

for Richmond or any other member could not criticise this item before the information was available, and it is not right that the Postmaster General should endeavour to convey the impression that hon. members of the Opposition oppose the establishment of an inspection office when they do not oppose it. We want the public to understand that we are going to criticise any expenditure that we do not think is made justly and in a businesslike way. We want it understood that the Postmaster General cannot bluff it out by saying, when an item of expenditure comes before the House: Oh, you must oppose this expenditure. We do not know how the money is going to be expended and I claim that the criticism made by the hon. member for Richmond is a proper one. It is his duty to make it and the Postmaster General has no right to get wrathy about it or to insinuate that we are trying to impute motives to him or are against the principle of establishing inspection offices. I gave notice to the Postmaster General who seems astounded because letters to his department were not answered, that in the district of Three Rivers there is a mail service between Yamachiche and St. Barnabé. A contract was awarded——

Mr. PELLETIER: If my hon. friend would excuse me, I think it would be only fair to the hon. member for Richmond if I gave the information for which he asked.

Mr. TOBIN: I want to answer a few remarks made by the Postmaster General. Was there anything in my remarks that was against the opening of inspection offices in the district of St. François? I asked the Postmaster General to explain the discrepancy in the amount given on the 27th of April last as the cost of the office, that is $4,700, and the amount given on the 11th of May last, that is over $8,000. If my hon. friend wants to be fair he should come before the House and say why he opened the office. He said that we had abolished the office years ago and when they came into power they reopened it. I do not say that the office is good or bad. We have not opposed it in any way. Why was my friend compelled to open the office? He knows and the people in the Eastern Townships and Sherbrooke know that it is because a party in Sherbrooke held a pistol to his ear and said: You have to do this and give Mr. Dastous a position. The collector of customs, Mr. Stenson, an ex-member of this House, died. The French-Canadian people of Sherbrooke said that this position belonged to them, but the Minister of Customs gave it to an English-speaking gentleman. The French-speaking people then said: You have to place Mr. Dastous and you must create an office. That is why the office was opened. There was not a request from the people to open a post office inspection, but a request to place Mr. Dastous. I have nothing against Mr. Dastous, who was a grain merchant. If my hon. friend wants to employ him that is his business. He is a good Conservative and a young man whom I respect. But when my hon. friend the Postmaster General comes before the House and says that he opened the office on business principles he is not accurate, it was not opened in the public interest, but in a political interest. My hon. friend says that we complained. I have never heard a member from the Eastern Townships say anything against the opening of the office. What we complain of is that when we put questions on the Order Paper there is within two weeks a difference in the amount given in the answers of fifty per cent. If we move for a return in the minister's department the return is not complete; somebody takes out from the file just what we want to see. That has been done with every return I have asked for in the minister's department and he knows it. He admitted it last night. Why not be fair. If he wants to play the game, let him play it fair and be honest about it. If you do not want to give us information, we will not move for any returns. If the Postmaster General treats me in the future as he has done in the past, I will stop asking for information and will tell my people the manner in which he refuses it. Everything that is done in his department is done in a dark room. If an investigation is held, they get a few people together in a room and decide to cut off the heads of a few of our Grit friends. That is not fair. Mr. Denison asked for an investigation. He is an old public employee, he has given good service to the people of the district of St. François and Richmond. My hon. friend will probably be in the Eastern Townships this summer. If he comes to Richmond he will find that it will do his party and himself no good to refuse an investigation and to decline to give Mr. Denison and his friends a chance to show just what ground there is for the complaints that were made against the administration of the post office at Richmond.

Mr. LEMIEUX: Was Mr. Denison a dishonest man?

Mr. TOBIN: He was an honest man but he was dismissed on the ground that he did not run his office properly. No doubt the minister and his friends wanted the position for Mr. McIvor, the present postmaster, a young man, perhaps 42 years old. He has been practising his profession as a lawyer in Richmond for ten years, and yet he has to accept a small position that will give him probably $1,400 or $1,500 a year after he pays his office help. He was a defeated candidate in the county of Richmond for the local House in 1912 and lost his deposit. But he came around and held up the Postmaster General and the hon. Minister without portfolio, the member for Argenteuil (Mr. Perley) and said: You must do something for me. Then they cut off the head of Mr. Denison and placed him there.

Mr. LEMIEUX: No investigation?

Mr. TOBIN: No investigation. Mr. Denison protested against it and asked for an investigation, but we have not got justice and we do not expect justice.

Mr. PELLETIER: If my hon. friend does not expect justice he should not lose so much time talking about it.

Mr. TOBIN: I want the people to know how you treat us.

Mr. PELLETIER: If the hon. member wants the people to know how this thing has been dealt with he should wait before he passes judgment. We have been told that Mr. McIvor has been appointed, that he was a Conservative candidate and had lost his deposit. That may be true, I do not know. Even if he has lost his deposit as a candidate in an election I do not take it for granted that that disqualifies him to be appointed to any position at the hands of the Government.

Mr. TOBIN: I do not want to be personal.

Mr. PELLETIER: The hon. gentleman does not want to be personal, after he has been as personal as he can be. The question is not whether Mr. McIvor has been a candidate or not. I did not know that when I appointed him; but I will say that if he is qualified to be a postmaster, and I think he is, and if he has been a candidate, that is another good reason why he should have been appointed and I am glad to have appointed him.

Mr. BUREAU: We all know that.

Mr. PELLETIER: I am told by my hon. friend that Mr. Dastous did not notify Mr. Denison that an investigation would take place. I have the file here now and Mr. Dastous says:

Mr. Denison was fully aware of my investigation at the time I made it because I called at his office the very same day and told him the object of my visit and made him aware of the complaints laid against him.

Mr. TOBIN: What were the complaints?

Mr. PELLETIER: I am coming to that now. My hon. friend will see that all the fuss he has made about this does not amount to much in the face of the facts.

Mr. KNOWLES: Does that mean that he notified him simply on the day of the investigation?

Mr. PELLETIER: I have read what he said. I did not give the notice myself.

Mr. TOBIN: What were the complaints?

Mr. PELLETIER: I would advise my hon. friend not to get excited. I am trying to give the facts. After I have given them, and if he has a reason, my hon. friend can become excited. I have before me a letter signed by a certain number of the citizens of the town of Richmond, amongst them, the ex-mayor, the President of the Agricultural Society, the Manager of the Canadian Bank of Commerce, the President of the Board of Trade.

Mr. TOBIN: All good Tories.

Mr. PELLETIER: So much the better. Just wait and take your medicine. I have some confidence in the Tories, if my hon. friend has not. I do not take their word because they are Tories, but because they are the best men in the district. The letter is signed by six prominent citizens of the town of Richmond, and reads as follows:

Richmond, Que., Feb. 11, 1914.

The Hon. the Postmaster General,
Ottawa, Ont.

Dear Sir,—As a citizen of the town of Richmond I hereby complain of the management of the post office at Richmond.

The present postmaster, J. R. Denison, never had the education or business training required for the management of such an office—

Mr. BELAND: I know all about it.

Mr. PELLETIER: The letter goes on:

—and as he is now upwards of 80 years of age and very deaf, is utterly unable to render the public efficient service, nor does he engage employees capable of doing the work for him.

The present postmaster is a man of large means to whom the salary as postmaster is of no material importance.

The postmaster and his assistants do not sort the mail properly. Almost daily, I receive other people's letters in my box, and I find that letters addressed to me have been given to others, always causing serious delay in receiving them; and I have reason to believe that sometimes I have never received them. I have heard the same complaints from all the other business men and the townspeople generally.

Persons not employees of the post office (even children) are allowed to enter the office, pick out their own mail before it is sorted and also assist in the general distribution. The management of the post office is so careless and inefficient that intolerable and unnecessary delay attaches to every item of the service.

The post office is not kept in a clean condition, nor is order maintained in the public portion.

As a large mail receiver I find these conditions intolerable, and make this complaint hoping that a competent person will be sent to investigate the truth of the facts alleged.

In addition to sending this complaint myself, it is my intention to show it to a few of the business men of the town more particularly interested in the conduct of the postmaster, and to ask them also to sign this if they can bear out my statements and approve of the complaint.

Yours very truly,

Charles Campbell.

The complaint is signed by five other people: John Hayes, M.D.

Mr. BUREAU: The man that Tobin licked.

Mr. TOBIN: The defeated candidate in 1911.

Mr. PELLETIER: Who will come back next time. It is signed also by A. Rainbach, George J. Alexander, Mr. W. H. Keenan and E. S. Bernard. I received this in February, long before Hon. Mr. Perley went through the Eastern Townships. It was sent to Hon. Mr. Perley, and he sent it to me. The matter was investigated in the regular way, and I have here the report of the inspector who says:

I come to the conclusion that the employees, as well as the postmaster, are not qualified to give the accurate and satisfactory service which the patrons of an office of the size of Richmond would naturally expect. The general appearance of the office is not a credit to the Post Office Department; the boys have made depredations in the lobby, defacing and mutilating the woodwork with knives, etc.

I come to the conclusion, therefore, to recommend the appointment of a new postmaster, duly qualified and capable of maintaining discipline, who will undertake to furnish an efficient staff.

Those are the facts. As it is now one o'clock, I would move that the committee rise and report progress.

Mr. TOBIN: We will be able to discuss this at three o'clock?

[Mr. Pelletier.]

Mr. PELLETIER: I was going to suggest that we take that up again the next time my estimates are under consideration.

Progress reported.

At one o'clock, the House took recess.

The House resumed at three o'clock.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Right Hon. R. L. BORDEN (Prime Minister) moved that the House go into Committee to consider the following resolution:

In the following resolutions unless the context otherwise requires:—

'Canadian Northern System' means the Canadian Northern and the Constituent and Subsidiary Companies.

'Canadian Northern' means the Canadian Northern Railway Company.

'Constituent Companies' means such of those companies mentioned in the first schedule to the following resolutions, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as own or operate railways, terminals, bridges or other railway facilities.

'Subsidiary Companies' means such of those companies mentioned in said schedule, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as do not own or operate railways, terminals, bridges or other railway facilities.

'Contractors' means Mackenzie, Mann and Company (Limited).

'Minister' means the Minister of Railways and Canals.

'Guaranteed Securities' means the securities to be authorized to be guaranteed by the Act to be based upon these resolutions.

'Mortgaged premises' means the undertakings, properties and assets, rights, powers and franchises from time to time mortgaged or charged for the purpose of securing the payment of the guaranteed securities.

'Government' means His Majesty the King in the right of the Dominion of Canada represented in such way as the Governor in Council may from time to time approve.

Section 2, of the Railway Act shall, except as aforesaid apply when any of the expressions defined therein are used in these resolutions.

Whereas the Canadian Northern Railway Company hereinafter called the 'Canadian Northern' has represented that the several companies set forth in the first schedule to these resolutions, and their railways and undertakings, rolling stock, equipment, assets and properties are intended to constitute a transcontinental railway system to be denominated the 'Canadian Northern System' and that the Canadian Northern desires to control said system by the ownership or control of the shares or majorities thereof in the capital stock of the said companies, and that it now owns or controls the shares or majorities thereof in the capital stock of certain of the said companies, and that the several companies are desirous that aid should be granted for the purpose of completing the construction and equipment of

the works and undertakings of the Canadian Northern system and for the betterment thereof;

And whereas it is in the interest of Canada that the desired aid should be granted.

It is therefore resolved that it is expedient to provide as follows:—

1. That His Majesty on behalf of the Dominion of Canada may aid the construction, completion, equipment and betterment of the Canadian Northern system by guaranteeing payment of the principal and interest of the bonds, debentures, debenture stock or other securities, hereinafter called the guaranteed securities of the Canadian Northern, to an amount not exceeding forty-five million dollars ($45,000,000) which guaranteed securities, to the extent aforesaid, the Canadian Northern is hereby authorized to create and issue; interest on the guaranteed securities to be at the rate of four per cent per annum payable half-yearly, the principal to be payable not later than a day in the year 1934.

2. That the guaranteed securities shall be secured by a trust deed, hereinafter called the 'New Trust Deed' made to a trustee or trustees approved by the Governor in Council, hereinafter called the 'Trustee' and the same shall in manner and terms satisfactory to the Governor in Council,—

(a) Grant a first, fixed, and specific mortgage or charge upon the shares mentioned in the first part of the second schedule hereto;

(b) Grant a specific mortgage or charge upon the mortgage securities and shares of stock now or from time to time hereafter deposited with and specifically mortgaged under the Trust Deed of the 30th day of June, 1903, hereinafter called the 'Perpetual Consolidated Debenture Stock Trust Deed' those now so deposited and mortgaged being mentioned in the second part of the said Second Schedule;

(c) Grant fixed, specific and floating mortgages or charges upon the undertaking of the Canadian Northern and its properties, assets, rents and revenues, and its rights, powers and franchises, present and future;

(d) Grant a fixed and specific charge upon the equity of redemption of Mackenzie, Mann and Company, Limited, in $10,000,000 of capital stock and $10,000,000 of First Debenture Stock of the Canadian Northern Town Properties Company, Limited (the subsidiary company mentioned in the eighth clause of the trust deed dated the 19th of November, 1913, made between the Canadian Northern Railway Company, Mackenzie, Mann and Company, Limited, The British Empire Trust Company, Limited, and the National Trust Company, Limited, trustees, securing £3,500,000 of five per cent Land Mortgage Debentures), the said capital stock and First Debenture Stock being now held by the said Trustees as part of the mortgaged premises under the said trust deed.

(2) The Mortgages and charges to be granted under (b) and (c) of this section shall be subject to and rank next after the mortgages and charges heretofore created and the securities heretofore or hereafter created or issued under the existing trust deeds or mortgages securing the same, and to the powers of issuing securities having priority therein reserved and contained.

3. That before a guarantee is given the following conditions shall be complied with:—

(a) The agreement a draft whereof is set forth in the third schedule hereto, (hereinafter called the 'Agreement' shall be duly executed by the parties thereto, and the Governor in Council is hereby authorized to execute the same.

(b) There shall be transferred to and vested in the Trustee as part of the mortgaged premises the shares of stock mentioned in subclause (a) of section 2 of these resolutions free from prior charges thereon, such shares to become and to remain the property of the Canadian Northern, subject to the charge created by and to the terms of the New Trust Deed. Provided that the necessary shares to qualify the directors and preserve the corporate entities of the respective companies may remain in the name of such directors and other necessary parties, but the share certificates ready for transfer shall be delivered to and held by or for the Trustee of the New Trust Deed.

(c) There shall be conveyed to the Trustee as part of the specifically first mortgaged premises, by the purchaser at court sale thereof, the railway and undertaking mentioned in the third part of the second schedule hereto, the said railway and undertaking to be free from all bonds or other indebtedness thereon, the same to become and to remain the property of the Canadian Northern subject to the mortgage or charge created by the New Trust Deed, and to be operated by the Canadian Northern as part of its system.

(d) There shall be transferred to the Minister of Finance and Receiver General of Canada in trust for the Government of Canada, three hundred and thirty thousand fully paid shares of the par value of $100 each of the capital stock of the Canadian Northern and such shares shall be the absolute property of His Majesty in right of the Dominion of Canada. The said shares or any part thereof may be disposed of under the authority of Parliament upon such terms and conditions as it may determine, and the proceeds of the sale thereof paid into the Consolidated Revenue Fund of Canada. Pending the disposal of the said shares and of the seventy thousand shares issued to the Minister of Finance and Receiver General of Canada, pursuant to section 8 of chapter 10 of the statutes of 1913, all voting and other rights under the said shares shall be exercisable by the said Minister of Finance and the Receiver General or by whomsoever he may from time to time appoint.

4. That covenants or undertakings to the satisfaction of the Governor in Council shall be given that all outstanding temporary loans to the Canadian Northern or any of its constituent or subsidiary companies secured by the deposit or pledge of securities, will be paid out of the proceeds of such deposited or pledged securities when the same shall be sold or disposed of, and that no proceedings against the Canadian Northern or any of said other companies will meanwhile be taken for the collection of such temporary loans.

5. That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said constituent and subsidiary companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount to be determined by the minister and that meanwhile all such current indebtedness other than such as may be the subject of bona fide dispute, will be either paid or arranged in such a manner that no proceedings for the enforce-

ment of payment thereof will be taken or pressed.

6. That the kind of securities to the guaranteed hereunder, and the forms thereof, and the forms and terms of the New Trust Deed, and the times and manner of the issue of the guaranteed securities, and the disposition of the moneys to be raised thereon by sale, pledge or otherwise, and the forms and manner of guarantee or guarantees shall be such as the Governor in Council approves, and such terms, provisions and conditions as the Governor in Council may consider expedient or necessary shall be included in the new trust deed.

7. That the said guarantee or guarantees shall be deposited with the trustee, signed by the Minister of Finance or such officer as is designated by the Governor in Council, and upon being signed and deposited as aforesaid, His Majesty shall become liable as guarantor for the payment of the principal and interest of the guaranteed securities according to the tenor thereof, and the said payment shall form a charge upon the Consolidated Revenue Fund, and a guarantee so signed and deposited shall be conclusive evidence that the requirements of the Act to be based upon these resolutions respecting the guaranteed securities and the New Trust Deed and all matters relating thereto have been complied with.

8. That subject to the provisions of the Act to be based upon these resolutions any moneys paid by His Majesty under any guarantee given hereunder shall be held to be paid in discharge of the liability of His Majesty, and not in discharge of the liability of the Canadian Northern under the guaranteed securities, or under the New Trust Deed and the moneys so paid shall be held to be still secured by the guaranteed securities and New Trust Deed, and His Majesty shall be subrogated in and to all the rights of the holders of the guaranteed securities, the interest or the principal of which has been paid by His Majesty, and His Majesty shall, with respect to the moneys so paid, be in all respects in the position of a security holder with respect to whose securities default shall have been made in payment, to the extent of the moneys paid by His Majesty.

9. That (1) the books, returns, reports and other records of the Canadian Northern and of each of the Constituent and Subsidiary Companies shall at all times be accessible and open to inspection for and on behalf of the Governor in Council by any person or persons from time to time named in that behalf by the Governor in Council or by the minister.

(2) Commencing with the year 1915, the Canadian Northern shall furnish the minister annually within five months from the close of its fiscal year a consolidated balance sheet showing the financial position of the Canadian Northern System for the fiscal year then last completed.

10. That in so far as the Canadian Northern and the Constituent and Subsidiary Companies may be subject to the legislative jurisdiction of the Parliament of Canada, every such company shall have full power to do all and every of the things authorized by the Act based upon these resolutions, or provided for in the Agreement, and shall have full power, and be bound to make, do and execute from time to time, all such acts, deeds, matters and things as may be necessary or expedient for carrying into effect the full intent and meaning of the Act based upon these resolutions and of the Agreement, and the Board of Railway Commissioners for Canada is hereby empowered to do what may be necessary on its part in the carrying out of the provisions of said Agreement.

11. That repayment of any portion of the proceeds of the guaranteed securities expended upon or for the purpose of any company (other than the Canadian Northern) included in the Canadian Northern System with interest at four per cent per annum shall be by the respective companies upon whose undertaking or for whose purposes the same may be expended, secured by trust deeds in manner and terms satisfactory to the Governor in Council which trust deed shall grant fixed, specific and floating mortgages or charges satisfactory to the Governor in Council upon the undertaking of such company, and its property and assets, real and personal, present and future, and its rights, powers and franchises, tolls, incomes and revenues, said fixed and specific and floating mortgages or charges to be subject to and to rank next after the mortgages and charges heretofore created and the securities heretofore or hereafter created or issued under the existing trust deeds or mortgages securing the same, and under the power of issuing securities having priority therein reserved and contained. Such trust deeds shall be made to the Trustee of the New Trust Deed and shall form part of the mortgaged premises thereunder. Each trust deed shall be executed before any advances secured thereby are made, and shall cover future advances out of the proceeds of the guaranteed securities.

12. That the capital stock of the Canadian Northern be fixed at the sum of one hundred million dollars subject to increase only by the Parliament of Canada:

Provided that for the purpose of exchange of Income Charge Convertible Debenture Stock, secured by trust deed made to the British Empire Trust Company, Limited, and the National Trust Company, Limited, dated 6th May, 1910, not exceeding twenty-five millions dollars in all, there may, during the period of the option of exchange given by said Trust Deed to the holders of said debenture stock, viz:—the years from January 1, 1916, to January 1, 1919, inclusive, and during any extension of that period, be issued to such holders who may exercise said option, such amounts of capital stock, over and above one hundred million dollars as may be required for the purposes of such exchange, not exceeding $100 of capital stock for $100 of debenture stock and not exceeding in all twenty-five million dollars.

Provided that the Canadian Northern may extend the period of said option from time to time. The said additional twenty-five million dollars of capital stock is hereby authorized and shall be set apart for the sole purpose of such exchange and any fully paid stock deposited with the Trustees of said Trust Deed for such purpose may be returned to the depositors thereof; Provided, also that no further issue of said Income Charge Convertible Debenture Stock shall be made under said Trust Deed.

13. That the difference between the present issued paid up capital stock of the Canadian Northern, namely, seventy-seven million dollars, and the said one hundred million dollars, namely, twenty-three million dollars, may in pursuance of the provisions of the Agreement be issued as fully paid in consideration of the transfer of the shares mentioned in the first part of the second schedule hereto, such twenty-three million dollars of stock to be issued to the parties transferring said shares,

or to their nominees as provided in the Agreement.

14. That no shares of the capital stock of the respective companies mentioned in the First Schedule hereto, other than the Canadian Northern, beyond the amounts heretofore issued, shall be issued without the consent of the Governor in Council.

15. That the works and undertakings of the following companies shall be declared to be works for the general advantage of Canada, viz,—

Canadian Northern Manitoba Railway Company,

Canadian Northern Western Railway Company,

Canadian Northern Saskatchewan Railway Company,

Irondale, Bancroft and Ottawa Railway Company,

Marmora Railway and Mining Company,

Canadian Northern Pacific Railway Company,

The Halifax and Southwestern Railway Company,

The Quebec and Lake St. John Railway Company.

16. That while any of the guaranteed securities are outstanding the Governor in Council may from time to time appoint any person to be a director of any or of all the companies comprised in the Canadian Northern System, and at pleasure remove the director so appointed.

2. Every director appointed by the Governor in Council shall at the request of the Governor in Council have the right to have a meeting of the directors or shareholders of the company for which he is so appointed, called at any time, and the secretary or other proper officer of such company shall at such company's expense forthwith upon being requested so to do, call such meeting in accordance with the statutes or by-laws regulating the calling thereof.

17. That without limiting any power now possessed, it be enacted that any railway company comprised in the Canadian Northern System which is now or may hereafter be subject to the legislative authority of the Parliament of Canada may, with the approval of the Governor in Council, enter into arrangements and agreements with any other railway company comprised in said system which is now, or may hereafter be subject to said legislative authoriity, or which has now, or may hereafter have power to enter into the same, respecting the operation by or the leasing to or the sale or transfer to such other railway company of the undertaking of the first mentioned company including assets, rights, franchises and powers, and said companies are hereby respectively empowered to carry out such arrangements and agreements.

18. That without limiting any power now possessed, it be enacted that any Constituent Company which is now or may hereafter be subject to the legislative authority of the Parliament of Canada, may, under the provisions of the Railway Act, amalgamate with any other or others of the Constituent Companies which is now or may hereafter be subject to said legislative authority or, if not so subject, which now has or may hereafter have power to enter into such amalgamation.

19. That any company now or hereafter comprised in the Canadian Northern System which is now or may hereafter be subject to the legislative authority of the Parliament of Canada, may acquire shares in the capital stock of, or securities issued by, or make advances to, or receive advances from any other company comprised in said System, and may take or give security for such advances.

20. That the Canadian Northern may redeem or otherwise discharge the guaranteed securities and the liability of His Majesty as guarantor in accordance with any terms in that behalf contained in the New Trust Deed.

21. That the following shall be events of default within the meaning of the Act to be based upon these resolutions, viz,—

(a) If the Canadian Northern shall make default in payment of the principal or interest of the guaranteed securities or any part thereof, or default in observing or performing any of the provisions of the New Trust Deed, and the security constituted by the New Trust Deed shall thereby become enforceable;

(b) If while any of the guaranteed securities are outstanding the Canadian Northern or any Constituent or Subsidiary Company shall make default in the payment of the principal or interest or any part thereof, of any securities heretofore or hereafter created or issued under the existing trust deed or mortgages securing the same, or under any future trust deed securing securities having priority to the guaranteed securities or default in observing or performing any of the terms of any such existing or future trust deed or mortgage, and the security constituted by any such trust deed or mortgage shall thereby become enforceable;

(c) If, while any of the guaranteed securities are outstanding, an order be made by any court against any company in the Canadian Northern System for the appointment of a receiver or for possession, or if a receiver be otherwise appointed or possession be otherwise lawfully taken of the whole or part of the undertaking.

22. That upon the happening of any event of default and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern and of any of the Constituent or Subsidiary Companies which may be subject to the legislative authority of the Parliament of Canada, and to appoint a board or boards of directors in lieu thereof respectively (any former director being eligible for appointment).

(2). The power of appointment herein conferred upon the Governor in Council shall be a continuous power and shall be exercisable from time to time and so often as any event of default may exist and be continuing.

23. That the directors so appointed by the Governor in Council shall hold office during the pleasure of the Governor in Council, and any such director may be removed and another appointed in his place. Vacancies occurring from time to time may be filled by the Governor in Council. The said boards respectively shall have all the powers of a board of directors elected by the shareholders; and acts of the board requiring the authority and approval of the shareholders shall if authorized or approved by the Governor in Council be as valid and effectual as if authorized or approved by the shareholders.

24. That if authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order

declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in the right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

25. That without limiting any of the powers of the board, it is declared that every board so appointed by the Governor in Council shall with the approval of the Governor in Council have power from time to time, in such way and on such terms and conditions as may be thought expedient,—

(a) To create and issue securities and to secure the same by mortgages or charges under trust deeds or otherwise and to raise money thereon by sale, pledge or otherwise;

(b) To make arrangements and agreements with any of the companies then comprised in the Canadian Northern System and with the trustees under any mortgage, charge or trust deed securing any securities issued by any such company respecting such security or the money payable thereunder or the terms of any such mortgage, charge or trust deed;

(c) To make arrangements and agreements respecting their claims with creditors of the Canadian Northern or any company then comprised in the Canadian Northern system;

(d) Subject to all securities forming a charge upon the Canadian Northern system or any part thereof and to the terms of any trust deeds securing the same, to make from time to time, with or without consideration, with any corporation or corporations incorporated by the Parliament of Canada for the purpose, having the necessary powers in that behalf, any arrangement or agreement for the operation or for the leasing or for the sale or transfer of the Canadian Northern system or any part or parts thereof, and the undertakings, assets, rights, franchises and powers thereof or any part or parts thereof, or for the sale or transfer with or without consideration of any equity of redemption therein, and every such board shall have power to carry every such arrangement and agreement into effect;

(e) Generally to do all such acts and things as the Governor in Council may deem requisite in connection with or with the operation of the Canadian Northern and of the Canadian Northern System or any part thereof or with any outstanding securities or the trust deeds securing them, or with holders of securities or creditors or in connection with any re-organizations or changes, financial or otherwise, with respect to the Canadian Northern or the Canadian Northern System or any part thereof, or in connection with the sale or foreclosure or other proceedings in court or otherwise or with the carrying out of the provisions of this section according to its true intent or meaning.

26. That while and so long as the Governor in Council has power to appoint a board of directors or after the exercise of such power, the Parliament of Canada may at any time and from time to time upon such terms as Parliament may prescribe, vest in the Governor in Council or in any corporation or corporations, person or persons, all or any of the powers which would under the Act to be based upon these resolutions be vested in any board of directors appointed by the Governor in Council.

27. That every order of the Governor in Council made in exercise of any of the powers contained in the Act to be based upon these resolutions, may on ex parte application on behalf of the Governor in Council, and without any notice to any person, be made a rule, order or judgment of the Exchequer Court or of any Superior Court of any Province of Canada, and shall be enforced in like manner as any rule, order or judgment of such Court, and shall not be subject to appeal.

28. That the following provisions shall be enacted with respect to every person from time to time appointed by the Governor in Council a director of the Canadian Northern or of any Constituent or Subsidiary Company, viz,—

(1) Notwithstanding the provisions of the Railway Act or any other law, statute or by-law to the contrary, it shall not be necessary for any such director to possess any stock or other qualification nor shall any such person during the term of his office be subject to disqualification on any account whatever;

(2) No such director shall be under any responsibility to any shareholder, director, or officer of the company of which he is director, nor to any other person, in respect of any act done, or omitted to be done by him in the execution of his office;

(3) Each director appointed under the enactment to be based upon section 22 of these resolutions shall be entitled to be paid by the company for which he is appointed such salary as the Governor in Council may from time to time fix.

29. That the Governor in Council may at the request of the Canadian Northern out of the Consolidated Revenue Fund pay all or any portion of the first six half yearly payments of interest on the guaranteed securities falling due after the opening for traffic as part of the Canadian Northern System of the through line from Vancouver to the City of Quebec, but in such case the Governor in Council shall not enforce the repayment thereof against the Canadian Northern under the New Trust Deed until the maturity of the principal of the guaranteed securities. The Canadian Northern shall however pending the repayment of interest so paid by the Governor in Council pay to His Majesty half-yearly interest on such interest at the rate of four per cent per annum, and such interest upon interest until so paid, shall form a charge upon the mortgaged premises under the New Trust Deed.

First Schedule.

The Canadian Northern Railway System.

Bay of Quinte Railway Company,
Canadian Northern Railway Company,
Canadian Northern Pacific Railway Company,
Canadian Northern Alberta Railway Company,
Canadian Northern Western Railway Company,
Canadian Northern Saskatchewan Railway Company,
Canadian Northern Manitoba Railway Company,
Canadian Northern Ontario Railway Company,
Canadian Northern Quebec Railway Company,
Canadian Northern Ry. Express Company, Limited,
Canadian Northern Transfer Company,

Canadian Northern Telegraph Company,
Canadian Northern Steamships Limited,
Canadian Northern System Terminals, Limited,
Central Ontario Railway,
Duluth, Winnipeg & Pacific Railway Company,
Halifax & Southwestern Railway Company,
Irondale, Bancroft & Ottawa Railway Company,
Lake Superior Terminals Company, Limited,
Minnesota & Ontario Bridge Company,
Minnesota & Manitoba Railway Company,
Marmora Railway & Mining Company,
Mount Royal Tunnel & Terminal Company, Limited,
Niagara, St Catharines & Toronto Railway Company,
Northern Consolidated Holding Company,
Quebec & Lake St John Railway Company,
Qu'Appelle, Long Lake & Saskatchewan Railroad & Steamboat Company.
St Boniface & Western Land Company,
Winnipeg Land Company, Limited.

Second Schedule.

Part 1.

Stocks to be transferred free from prior charges.

Bay of Quinte Railway Company	$ 1,395,000
Canadian Northern Pacific Railway Company	25,000,000
Canadian Northern Alberta Railway Company	3,000,000
Canadian Northern Western Railway Company	2,000,000
Canadian Northern Saskatchewan Railway Company	1,000,000
Canadian Northern Manitoba Railway Company	Total Issue.
Canadian Northern Ontario Railway Company	10,000,000
Canadian Northern Quebec Railway Company	2,000,000
Canadian Northern System Terminals Company	2,000,000
Central Ontario Railway	3,329,000
Duluth, Winnipeg and Pacific Railway Company	3,060,000
Halifax and South Western Railway Company	1,000,000
Irondale, Bancroft and Ottawa Railway Company	53,000
Mt. Royal Tunnel and Terminal Company, Limited	Total Issue.
Marmora Railway and Mining Company	100,000
Northern Consolidated Holding Company	4,446,700
Quebec and Lake St. John Railway Company	4,002,800
Qu'Appelle, L.L. and Saskatchewan Railway Company	201,000

Second Schedule.

Part 2.

Mortgage Securities and Stocks to be Transferred Subject to Perpetual Consolidated Debenture Stock Trust Deed.

1. The Minnesota and Ontario Bridge Company.—Bond No. 1 for $100,000 face value, and Bond No. 2 for $80,000 face value, being four and a half per cent First Mortgage Debenture Bonds, dated First of July, 1903, and registered in the name of the National Trust Company, Limited, and the British Empire Trust Company, Limited (herein called the 'Trustees') as Trustees under the Trust Deed dated 30th June, 1903, made to secure the First Mortgage four per cent Consolidated Debenture Stock and Bonds of the Canadian Northern Railway Company $180,000
Fully paid shares 100,000

2. The Minnesota and Manitoba Railway Company.—Three five per cent General Mortgage Bonds numbered one to three inclusive, dated First July, 1903, being two bonds for $100,000 each and one bond for $50,000 registered in the name of the Trustees .. $250,000
Fully paid shares 400,000

3. Lake Superior Terminals Company, Limited.—Ten First Mortgage five per cent Gold Bonds numbered 1 to 10 inclusive, of face value of $100,000 each dated first of July 1903, registered in the name of the Trustees $1,000,000
Fully paid shares 500,000

Lake Superior Terminals Company, Limited.—Five per cent Gold Bonds numbered 1 to 9 inclusive, secured by Trust Deed dated the 28th December, 1903, for the following respective amounts; numbers 1, 2, 4 and 6 for $100,000 each, numbers 3, 5 and 7 for $50,000 each, number 8 for $300,000 and number 9 for $150,000 .. .. $1,000,000

4. Canadian Northern Telegraph Co.—Four five per cent Gold Bonds, numbered 1 to 4 inclusive for $200,000 each due June 30, 1930 .. .. $800,000
Fully paid shares 500,000

5. Winnipeg Land Company, Limited.—Three first Mortgage Five per cent Gold Bonds, numbered 1 to 3 inclusive, face value $100,000 each, dated 1st July, 1903, and registered in the name of the Trustees $300,000
Fully paid shares 100,000

6. The Canadian Northern Coal and Ore Dock Co.—Five per cent First Mortgage Gold Bond No. 1, due 1st June, 1932, for £77,054 15 11 .. .. $375,000

7. The St. Boniface and Western Land Co.—Three five per cent Gold Bonds, numbered 1 to 3 inclusive, due 1st July, 1957, for $250,000 each registered, in the name of the Trustees $750,000
Fully paid shares 250,000

8. The Edmonton and Slave Lake Railway Co.—Four first mortgage five per cent Gold Bonds, numbered 1 to 4 inclusive due June 30, 1937, for $100,000 each and Bond No. 5 for $20,000 .. .. $420,000

9. Canadian Northern Railway Express Company, Limited.—Three four per cent First Mortgage Gold Bonds, numbered 1 to 3 inclusive, due 1st December, 1960, face value $1,000,000 each, registered in the name of the Trustees $3,000,000
Fully paid shares 1,000,000

10. Canadian Northern Steamships, Limited.—Certificate No. 2 Five per cent First Mortgage Debenture Stock, due 30th April, 1930, registered in the name of the National Trust Company, Limited .. .. £ 600,000
Fully paid shares $2,000,000

11. Canadian Northern System Terminals, Limited.—Certificate No. 1, First Mortgage Ninety-nine year Debenture Stock and Bonds, being equivalent of £1,438,356, secured by Trust Deed to the National Trust Company, Limited, and the British Empire Trust Company, Limited, dated June 5, 1912, $7,000,000.

Second Schedule.

Part 3.

The railway and undertaking to be conveyed which was formerly owned by the Brockville, Westport and North Western Railway Com-

pany and which was sold under Court sale, extending from Brockville northwesterly about forty-five miles to the village of Westport, including stations, yards, buildings, equipment, etc., as per deed from Court.

Third Schedule.

This Agreement made this day of 1914.

Between:

Canadian Northern Railway Company, hereinafter called the 'Canadian Northern,'

Of the First Part,

The following Railway Companies:—

Bay of Quinte Railway Company,
Canadian Northern Pacific Railway Company,
Canadian Northern Alberta Railway Company,
Canadian Northern Western Railway Company,
Canadian Northern Saskatchewan Railway Company,
Canadian Northern Manitoba Railway Company,
Canadian Northern Ontario Railway Company,
Canadian Northern Quebec Railway Company,
Canadian Northern System Terminals, Limited,
Central Ontario Railway,
Duluth, Winnipeg and Pacific Railway Company,
Halifax and Southwestern Railway Company.
Irondale, Bancroft and Ottawa Railway Company,
Lake Superior Terminals Company, Limited,
Minnesota and Ontario Bridge Company.
Minnesota and Manitoba Railroad Company.
Marmora Railway & Mining Company,
Mount Royal Tunnel & Terminal Company, Limited,
Niagara, St. Catharines & Toronto Ry. Company,
The Quebec & Lake St. John Railway Company,
Qu'Appelle, Long Lake & Saskatchewan Railroad & Steamboat Company,

hereinafter called the "Constituent Companies,"

Of the Second Part;

The following Companies:—

Canadian Northern Ry. Express Company, Limited,
Canadian Northern Transfer Company,
Canadian Northern Telegraph Company,
Canadian Northern Steamships Limited,
St. Boniface & Western Land Company,
Winnipeg Land Company, Limited,

hereinafter called the "Subsidiary Companies,"

Of the Third Part;

Mackenzie, Mann & Company, Limited, Sir William Mackenzie and Sir Donald D. Mann,

hereinafter called the "Contractors,"

Of the Fourth Part;

and

His Majesty the King,

hereinafter called the "Government" represented herein in such way as the Governor in Council of Canada may approve,

Of the Fifth Part;

Whereas the Canadian Northern, the Constituent Companies, the Subsidiary Companies and the Contractors are desirous that aid should be granted by the Government for the purpose of completing the construction and equipment of the works and undertakings of the Canadian Northern System, and for the betterment thereof; and by an Act of Parliament of Canada, being Chapter of the Statutes of 1914, the Government has been authorized to grant such aid upon the fulfilment of certain conditions precedent, one of which is the execution of this Agreement;

Witnesseth that in consideration of the premises;

1. Interpretation.

"Canadian Northern System" means the Canadian Northern and the Constituent and Subsidiary Companies and such other companies hereafter declared by order of the Governor in Council to be comprised in the Canadian Northern System;

"New Trust Deed" means the Trust Deed described in Section 3 of the Statute;

"Trustee" means the Trustee or Trustees of the New Trust Deed and any successor Trustee or Trustees thereof;

"Guaranteed Securities" means the securities authorized by the Statute of the Parliament of Canada, being Chapter of the Statutes of 1914, and "Statute" means the said Statute;

"Mortgaged Premises" means the undertakings, properties and assets, rights, powers and franchises from time to time mortgaged or charged for the purpose of securing the payment of the guaranteed securities;

"Minister" means the Minister of Railways and Canals;

"Government Railways" means the railways subject from time to time to the Government Railway Act and amendments thereto.

In all other cases, the provisions of the Interpretation Act and of the interpretation section of The Railway Act, being Section 2, Chapter 37 of the Revised Statutes of Canada, 1906, shall apply hereto.

2. Covenants by Contractors.

The Contractors jointly and severally covenant with the Government as follows:

(a) That the Contractors will forthwith, upon the execution hereof, transfer or cause to be transferred to the Trustee all the shares of capital stock of the Constituent and Subsidiary Companies mentioned in the first and second parts of the Schedule hereto, and the said shares shall form part of the mortgaged premises comprised in the New Trust Deed; Provided that the legal title to such of the said shares as may be necessary to qualify the directors and preserve the corporate entities of the respective Companies or any of them, may be allowed by the Trustee to remain in the names of such directors and other necessary parties, but the certificates thereof ready for transfer shall be delivered to and held by or for the Trustee. The absolute ownership of all the shares mentioned in the first part of the said schedule shall be vested in the Canadian Northern, subject only to the charge thereon created by and to the terms of the New Trust Deed; and the beneficial ownership of all the shares mentioned in the second part of the said schedule shall be vested in the Canadian Northern, subject only to the rights now or hereafter possessed by the National Trust Company, Limited, and the British Empire Trust Company, Limited, under the

Trust Deed of the 30th of June, 1903, securing the perpetual consolidated Debenture Stock of the Canadian Northern, and to the charge thereon created by and to the terms of the New Trust Deed.

(b) That they will forthwith cause to be transferred to the Minister of Finance and Receiver General of Canada in trust for the Government, fully paid and non-assessable shares of the Canadian Northern of the aggregate par value of thirty-three millions, such shares to be the absolute property of His Majesty in right of the Dominion of Canada;

(c) That they will cause to be conveyed to the Trustee as part of the mortgaged premises free from bonds or other indebtedness thereon, the railway and undertaking of the Brockville, Westport and North Western Railway Company described in Part 3 of the Second Schedule of the Statute, the same to become the property of the Canadian Northern subject to the charge thereon created by the New Trust Deed, and to be operated by the Canadian Northern as part of its system;

(d) That they and each of them will from time to time make, do and execute all such acts, deeds, matters and things as may be reasonably required by the Government for the purpose of more fully and effectually carrying into effect the provisions hereof, and the terms, conditions, and stipulations of the Statute;

(e) That the Contractors will not at any time make or seek to enforce any claim for contractors' profits, commissions, or otherwise against the Canadian Northern, or against any of the Constituent or Subsidiary Companies, upon or in respect of any express or implied contract, understanding, agreement, or stipulation of any kind, heretofore or hereafter made, whereby or whereunder they, or any one or more of them, may now or hereafter be entitled to receive from the Canadian Northern, or from any of the Constituent or Subsidiary Companies any construction profits, in respect of work heretofore undertaken, or as consideration for transfers of properties, rights or franchises already transferred, or to be transferred under sub-clauses (a) and (b) of this clause, or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released.

3. 9. Covenants by Canadian Northern.

The Canadian Northern covenants with the Government as follows:

(a) That the Canadian Northern is at the time of the execution hereof, the absolute owner of the equity of redemption in all the shares of the capital stock of the Constituent and Subsidiary Companies set forth in the second part of the Sechedule hereto, and that all such shares are fully paid and non-assessable, and that there are no mortgages, incumbrances, charges, or liens thereon other than those created by the mortgages and charges heretofore created under existing trust deeds or mortgages referred to in paragraph (b) of Section 4 of the Statute (Section 2 of the Resolutions).

(b) That the Canadian Northern will at all times make, do and execute and concur in all such acts, deeds, matters and things as may be reasonably required by the Government for the purpose of more fully and effectually carrying into effect the provisions hereof.

(c) That it will forthwith transfer or cause to be transferred to the Trustee as part of the mortgaged premises all the mortgage securities and shares of stock mentioned in the second part of the schedule hereto subject to the charge thereon created by and to the terms of the Trust Deed of 30th June, 1903, hereinbefore mentioned, and to the terms of the New Trust Deed.

4. Covenants by Constituent and Subsidiary Companies.

Each of the Constituent and Subsidiary Companies covenants with the Government as follows:

(a) That it will not create or issue any further share capital without the consent of the Governor in Council.

(b) That it will at all times make, do and execute and concur in all acts, deeds, matters and things as may be reasonably required by the Governor in Council for the purpose of more fully and effectually carrying into effect the provisions hereof and of the Statute.

(c) That it will from time to time execute and deliver to the Trustee the trust deeds, mortgages and charges referred to in section 12 of the Statute securing the repayment of the moneys advanced to or for it as therein mentioned, and in default of any such security being given, the Trustee shall for the benefit of the holders of the guaranteed securities have a charge upon the undertaking, property assets, rents and revenues present and future of each Constituent and Subsidiary Company for all moneys advanced to or expended upon or for the purposes of such Company out of the proceeds of the guaranteed securities with interest thereon at the rate of four per cent per annum, such charge to rank with the same priority and subject to the same powers as mentioned in section 12 of the Statute.

5. Issue of Stock by Canadian Northern.

The Canadian Northern covenants with the Contractors that in consideration of the transfer of the shares of the Capital Stock mentioned in clause (a) of paragraph 2, hereof, it will by proper corporate action cause to be allotted to the Contractors or their nominees fully paid and non-assessable shares of the Capital Stock of the Canadian Northern of the par value of twenty-three million dollars, being the difference between the present issued share capital of the Canadian Northern and the amount to which its capital is increased by the Statute.

6. Routing and Interchange of Traffic.

The Canadian Northern and the Constituent and Subsidiary Companies severally agree with the Government as follows:

(a) That at all times hereafter all freight originating on the lines of the Canadian Northern or on the lines of any of the Constituent Companies, or on any line or lines of Railway now or hereafter owned, leased or operated by the Canadian Northern or by any of the Constituent or Subsidiary Companies, their successors or assigns, shall, when destined to points in Canada, be carried over the lines of the Canadian Northern or of the Constituent Companies or over some other Canadian Railway or Railways (which term shall include the line operated by the Canadian Pacific Railway Company between Montreal and St. John) and that the through rate on export traffic from the point of origin to the point of destination shall

not be greater via Canadian Ports than it would be via United States ports; and that all inward and outward ocean traffic shall be carried to Canadian Ports, and that the Canadian Northern and the several Constituent and Subsidiary Companies shall not in any matter within their power or control, directly or indirectly, advise or encourage the transportation of any such freight by routes other than those above provided, but shall in all respects in good faith use their utmost endeavours to further the development of trade through Canadian channels and Canadian Ports.

(b) That they and each and every of them will from time to time enter into Agreements with the Government for the mutual interchange of traffic between the Canadian Northern and the Constituent Companies or any of them, with the Government Railways, and the terms and conditions of every such agreement, shall be such as the parties thereto may agree upon or in default of agreement, as may be settled by the Board of Railway Commissioners for Canada (hereinafter called the 'Railway Board'), and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same, provided always that every agreement respecting the interchange of traffic shall be subject to any agreements now existing with any other company or companies.

(c) That the Canadian Northern and the Constituent and Subsidiary Companies or any of them will from time to time on the request of the Governor in Council enter into an agreement or agreements with the Government granting to the Government for the purposes of the Government Railways running powers over the lines of railway now or hereafter comprised in the Canadian Northern System or any part or parts thereof, and the terms and conditions of every such Agreement shall be such as the parties thereto may agree upon, or in default of agreement, as may be settled by the Railway Board, and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same, provided always, that every such agreement shall be subject to any existing agreements with any other Company or Companies.

7. Covenants by the Government.

The Government covenants with the Canadian Northern that it will from time to time enter into agreements with the Canadian Northern or with any Constituent Company, giving running rights over such parts of the Government Railways as may be desired and the terms and conditions of every such agreement shall be such as the parties thereto may agree upon, or in default of agreement, as may be settled by the Railway Board and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same, provided always, that every such agreement shall be subject to any existing agreements with any other company or companies.

In witness whereof the Honourable acting on behalf of His Majesty the King hath hereunto set his hand and seal and the parties of the First, Second, Third and Fourth Parts hereto, being Corporations, have hereunto affixed their corporate seals by the hands of their proper officers, and the other parties hereto have hereunto affixed their hands and seals.

Schedule.

First Part.

Stocks to be transferred free from prior charges.

Bay of Quinte Railway Company	$ 1,395,000
Canadian Northern Pacific Railway Company	25,000,000
Canadian Northern Alberta Railway Company	3,000,000
Canadian Northern Western Railway Company	2,000,000
Canadian Northern Saskatchewan Railway Company	1,000,000
Canadian Northern Manitoba Railway Company	Total Issue.
Canadian Northern Ontario Railway Company	$10,000,000
Canadian Northern Quebec Railway Company	2,000,000
Canadian Northern System Terminals Company	2,000,000
Central Ontario Railway	3,329,000
Duluth, Winnipeg and Pacific Railway Company	3,060,000
Halifax and South Western Railway Company	1,000,000
Irondale, Brancroft and Ottawa Railway Company	53,000
Mount Royal Tunnel and Terminal Company, Ltd.	Total Issue.
Marmora Railway and Mining Company	$ 100,000
Northern Consolidated Holding Company	4,446,700
Quebec and lake St. John Railway Company	4,002,800
Qu'Appelle, L. L. and Saskachewan Railway Company	201,000

Schedule.

Second Part.

Mortgage Securities and Stocks to be Transferred Subject only to Charge Created by Perpetual Consolidated Debenture Stock Trust Deed of 30th June, 1903.

1. The Minnesota and Ontario Bridge Co.—Bond No. 1 for $100,00 face value, and Bond No. 2 for $80,000 face value, being Four and a half per cent First Mortgage Debenture Bonds, dated First of July, 1903, and registered in the name of the National Trust Company, Limited and the British Empire Trust Company, Limited (herein called the 'Trustees') as Trustees under the Trust Deed dated 30th June, 1903, made to secure the First Mortgage Four per cent Consolidated Debenture Stock and Bonds of the Canadian Northern Railway Company $180,000
Fully paid shares $100,000

2. The Minnesota and Manitoba Railway Co.—Three five per cent General Mortgage Bonds numbered 1 to 3 inclusive, dated 1st July, 1903, being to bonds for $100,000 each and one bond for $50,000 registered in the name of the Trustees $250,000
Fully paid shares 400,000

3. Lake Superior Terminals Co., Limited.—Ten First Mortgage five per cent Gold Bonds numbered 1 to 10 inclusive, of face value of $100,000 each dated 1st July, 1903, registered in the name of the Trustees $1,000,000
Fully paid shares 500,000

Lake Superior Terminals Company, Limited.—Five per cent Gold Bonds numbered 1 to 9 inclusive, secured by Trust Deed dated the 28th December, 1903, for the following respective amounts: numbers 1, 2, 4, and 6 for $100,000 each, numbers 3, 5, and 7, for $50,000 each, number 8 for $300,000 and number 9 for $150,000.. .. .. $1,000,000

4. Canadian Northern Telegraph Company.—Four five per cent Gold Bonds, numbered 1 to 4 inclusive for $200,000 each due June 30 1930 .. .. $800,000

Fully paid shares.. 500,000

5. Winnipeg Land Company Limited.—Three first Mortgage five per cent Gold Bonds, numbered 1 to 3 inclusive, face value $100,000 each, dated 1st July, 1903, and registered in the name of the Trustees.. .. .. $300,000

Fully paid shares.. 100,000

6. The Canadian Northern Coal & Ore Dock Company.—Five per cent First Mortgage Gold Bond No. 1, due 1st June, 1932, for £77,054,-15.11.. .. .. $375,000

7. The St. Boniface & Western Land Company.—Three five per cent Gold Bonds, numbered 1 to 3 inclusive, due 1st July, 1957, for $250,000 each, registered in the name of the Trustees.. .. .. $750,000

Fully paid shares.. 250,000

8. The Edmonton & Slave Lake Railway Company.—Four first mortgage five per cent Gold Bonds, numbered 1 to 4 inclusive, due 30th June, 1937, for $100,000 each and Bond No. 5 for $20,000.. .. .. $420,000

9. Canadian Northern Railway Express Company, Limited.—Three four per cent First Mortgage Gold Bonds, numbered 1 to 3 inclusive, due 1st December, 1960, face value $1,000,000 each, registered in the name of the Trustees.. .. .. $3,000,000

Fully paid shares.. 1,000,000

10. Canadian Northern Steamships, Limited. Certificate No. 2, Five per cent First Mortgage Debenture Stock, due 30th April, 1930, registered in the name of the National Trust Company, Limited.. .. .. £600,000

Fully paid shares.. .. .. $2,000,000

11. Canadian Northern System Terminals, Limited.—Certificate No. 1, First Mortgage Ninety-nine year Debenture Stock and Bonds, being equivalent of £1,438,356, secured by Trust Deed to the National Trust Company, Limited, and the British Empire Trust Company, Limited, dated 5th June, 1912.. .. $7,000,000

He said: Mr. Speaker, it is desirable that a brief statement of the situation, which confronts the country in connection with the Canadian Northern railway, and an explanation of the proposals which have been placed before the House, should be given before the House goes into Committee on this resolution.

The Canadian Northern railway had its beginning in 1896 in the construction of 100 miles of railway in the western part of the province of Manitoba, under the charter of a company known as the Lake Manitoba Railway and Canal Company. The enterprise of building this road had been undertaken in 1889, and those who sought to promote that enterprise had signally failed in their undertaking. Sir William Mackenzie and Sir Donald Mann acquired the charter of the road and constructed it, and it was put into operation about 1896. Afterwards other roads from time to time were purchased, other charters were procured and additional mileage was constructed, so that the system at the present time extends into every province of Canada except, I think, New Brunswick and Prince Edward Island.

The system has to-day in operation 7,236·51 miles; it has also under construction with track laid, but the road not in operation, 1,542·26 miles; it has grade completed, but no track yet laid, 850·52 miles; it has grade not completed but under contract, 230·08 miles; which gives a total of nearly 10,000 miles.

The status of the railway as a potential transcontinental railway was realized in Parliament, according to my recollection, as early as 1903 or 1904, and its status as such was definitely recognized in 1911 by chap. 6 of the statutes of that year. The following recital is to be found in that Act which provided for certain aid to the Canadian Northern Railway Company:

> Whereas, having regard to the growth of population and the rapid development of the production and trade of that portion of Canada lying west of the Great Lakes, and to the rapidly expanding trade and commerce of Canada generally, it is in the interests of Canada as a whole that another line of railway designed to assist in the direct and economic interchange of traffic between the eastern and western portions of Canada, to open up and develop portions as yet without railway facilities, to promote the internal and foreign trade of Canada, to develop commerce through Canadian ports, and to afford the Government system of railways in Quebec, New Brunswick, Nova Scotia and Prince Edward Island an interchange of through traffic, should be constructed from the Pacific Ocean to the city of Montreal: And whereas the projected line of the Canadian Northern Ontario Railway Company extending from Port Arthur to the city of Montreal will provide the uncompleted portion of the said through line lying north and east of the Great Lakes.

The statute last mentioned provided for a guarantee of bonds of the Canadian Northern railway from Montreal to Port Arthur, about 1,000 miles in length, to the amount of $35,000 per mile. By chapter 7 of the statutes of 1912 a guarantee of bonds of the same amount in respect of 115 miles in the province of Alberta, to the boundary of British Columbia, was also authorized.

The aid which has been granted to the company, whether in lands or in subsidies, whether by the federal Government or by the provincial governments or by municipalities, is set out at pages 10 and 13 of the printed documents which are upon the table of the House and which have been dis-

tributed among hon. gentlemen. From these documents it will also be seen that the total outstanding securities which have been issued by the Canadian Northern and its allied companies amount to $311,276,822.32. Of this total the sum of $58,042,248 has been guaranteed by the Dominion of Canada and the sum of $76,850,203 has been guaranteed by various provincial governments. The balance which amounts to $176,383,371 represents securities which have been issued but which have not been guaranteed by governments.

The most profitable portion of the road now in operation consists of the lines extending from Port Arthur to Edmonton, and these lines, as hon. gentlemen are aware, are for the most part situated within the three prairie provinces. These lines however, are to-day less profitable than they otherwise would be until the system is extended, on the one hand to the Pacific coast, and on the other hand to Quebec and Montreal, so as to be in touch with the great traffic which has already developed, and which will develop in still greater measure, in the future, upon the Pacific ocean, and to bring the road into touch with the great railway systems of Ontario and Quebec, and particularly the system of government railways, and the Canadian Pacific railway system, so far as it is situated within Quebec and the Maritime provinces.

The Canadian Northern system, so-called, comprises the Canadian Northern Railway Company which owns the lines in the prairie provinces, and various subsidiary or allied companies which are enumerated and set forth in the schedules to the resolution. The securities of many of these allied companies have been guaranteed by the Canadian Northern railway proper and thus the lines owned by the Canadian Northern railway proper in the prairie provinces, which undoubtedly are the profitable portion of the system from an operating standpoint, are vitally interested in the completion, extension and success of the whole system.

It became apparent some months ago that the enterprise could not be carried to a successful conclusion without further assistance. That assistance became necessary for various reasons, among which there was the financial stringency that for a year or eighteen months past has prevailed not only in Canada but—what is of more importance in this particular instance—in the great money markets of the world. The difficulty of making a successful flotation of issues already authorized and of further proposed issues was so great that it could not be attempted without the risk of absolute failure. In the meantime, those who were carrying on the operation of the road so far as already constructed and who were endeavouring to bring the completion of the system to a successful issue, were confronted with this condition. The ordinary current indebtedness of the system, more especially in connection with operation, had increased from $3,000,000, its normal amount, to nearly $11,000,000. It was found that nearly $11,000,000 of contractors' accounts remained unpaid and could not be met. In addition to this, Mackenzie and Mann Limited had raised $10,500,000 to meet outstanding contractors' accounts. Under these circumstances, the company have presented to the Government the statement, which is found on page 10 of the printed documents and which indicates the amount necessary to be provided in order that the road may be completed. It seems proper that at this juncture I should read that statement to the House in order that the situation presented to us may be clearly apparent to hon. gentlemen on both sides:

Canadian Northern Ry. System.

Requirements to Complete.

1. C.N.O. Ry., British Columbia section	$23,647,492	
2. C.N. Ry., main line and branches already under construction	$15,042,896	
3. C.N.O. Ry., Montreal-Port Arthur and Toronto-Ottawa.	$18,251,891	
4. Canadian Northern Tunnel and Terminal Co., Montreal Terminals	$5,995,734	
5. Rolling stock: Equipment for Transcontinental and maturing equipment notes.	$27,441,086	
6. Betterments: Ballasting, permanent improvements, including heavy rails on balance main line	$10,000,000	
		$100,379,099
Proceeds of securities which will be issued in respect to above expenditures and cash in trust accounts, for construction.		
Canadian Northern Pacific Ry.: C.N.P. Ry. 4½% Deb. Stock and subsidy	$ 6,704,097	
New Securities	4,854,500	
C.N. Ry.: Proceeds of securities in hand and to be earned against above	$7,634,497	
C.N.O. Ry.: Proceeds of securities in hand and subsidy to be earned	$16,788,822	
Canadian Northern Tunnel and Terminal Co.: Proceeds of terminal securities	$ 5,995,734	
Rolling stock, 4½% equipment bonds	$16,496,332	
		58,473,982
Balance to be provided		$41,905,117

This balance of $41,905,117 must be provided for the completion of the road and for certain betterments which, as I understand, are absolutely required in the immediate future.

It may be asked why the $58,473,982, which is apparently available, cannot be used for the completion of the road. That seems to be a very natural question, and it is one which I myself asked when the statement was first presented to me. The explanation is very simple, namely, that both subsidies and proceeds of securities are not available until expenditure has been made which justifies payment by the Minister of Finance or by the trustees for the bond-holders in the case of other trust securities. Subsidies as well as the proceeds of securities which are raised by means of guarantees are paid out only in the proportion which the expenditure bears to the total estimated cost of the road; and in respect of this railway and of all railways, the construction of which is provided for in part by subsidies and in part by the proceeds of bonds and securities, there is necessary as well what may be called a working construction capital; that is, money has to be provided for carrying on the work of the road, and capital is necessary for that purpose before either the proceeds of the securities which are lodged with a trustee or the amount of the subsidies earned can be made available.

The procedure, as I understand it, is as follows. In the first place, the Government engineers inspect the road from time to time and satisfy themselves as to the amount of expenditure which has been made upon it. They also make an estimate of the total cost of the road when completed. The subsidies are paid out only in the proportion which the expenditure incurred bears to the total estimated cost, and the same is true of the proceeds of guaranteed securities, that is securities guaranteed by the Government of Canada, the proceeds of which are always deposited with the Minister of Finance and the Receiver General. They are paid out in the same way, so that, when the last of the subsidies are paid, and when the last of the proceeds of guaranteed securities are paid, the road must have reached completion. I have made inquiry of various provincial governments as to the character of the legislation under which they afforded assistance to the road by way of guarantees. They have informed me that the procedure is the same with them, namely that the proceeds of guaranteed securities are deposited with the provincial treasurer and are paid only in the same proportion as that which I have already indicated with regard to federal subsidies and securities guaranteed by the federal government. Practically the same procedure is followed in respect of unguaranteed securities as well. The proceeds of those securities are deposited with the trustee for the bond-holders and are paid out by him only in the proportion which the amount actually expended, according to the report of the engineers, bears to the total estimated cost of the whole road. Therefore, while there were $58,473,982 of securities and subsidies apparently available, the difficulty with which the company found itself confronted was that, those subsidies not having been earned and the proceeds of those guaranteed securities not having been earned, it was impossible to apply those moneys to the construction of the road until further expenditures should have taken place thereon.

The extraordinary financial conditions above alluded to account in part, as I have said, for the need of further assistance, and the fact that the securities available cannot be sold at a reasonable price must also be taken into account. In addition to this there is undoubtedly an increased cost of the road due, as I am informed, and as I believe, after having made pretty careful inquiries into the matter, to two considerations: in the first place to a very decided advance in the price of labour and material during the past five or six years, and in the second place to the fact that a higher standard of construction has been adopted than that which was at first anticipated.

Now, the situation which was presented to the Government was not without its difficulties. The credit of the Dominion and of the several provinces had been pledged in very large amounts by the guarantee of securities. It had to be taken into account, and we did take it into account, that besides this the sum of nearly $180,000,000 was outstanding in unguaranteed securities, that that money had been invested in this enterprise by people who may have been influenced, and undoubtedly were influenced, by the fact that the road was recognized as a great transcontinental railway in Canada, and further, by the fact that the road had received very substantial assistance, not only from the federal Government, but from the provincial governments, both in subsidies and by the guarantee of securities. My attention was called recently to an article

in the Journal of Commerce of Montreal, under date of 6th May, which is not only entitled to respect by reason of the fact that a gentleman who has been very eminent in the public life of Canada for many years is supposed to preside over the editorial utterances of that journal—I refer to Hon. W. S. Fielding—but also is notable for the expression of opinion which it gives with regard to the duty of the Government in respect of the completion of this transcontinental railway. I will not read the whole article, but a portion of it might very well be quoted at this juncture:

No doubt many members on both sides of the House share the widespread feeling that both Dominion and provincial Legislatures have distributed aid in cash, land and guarantees to the railway companies with a rather lavish hand, and that there should be a slowing down, if, indeed, not a halt, in this generous policy. That members entertaining these views should be inclined to set their faces against further assistance to the Canadian Northern is quite natural. But there is another side to the question that must be considered by all who have a sense of responsibility.

Whether the railway aid policies of the past have been too generous; whether governments, in their desire to provide for the railway needs of the opening west, have moved too rapidly; whether it was wise to become involved in the construction of a third transcontinental railway, while the second was still far from completion—these are questions upon which as one looks back at the events of the last few years, there may easily be room for wide difference of opinion. But such differences would not be sufficient ground for a refusal to face the conditions of the present time.

The affairs of a great railway company, which owes its existence to the encouragement given by Government and Parliament, become so interwoven with the general interests of the country, and particularly with the public credit in the money markets of the world, that it becomes impossible to regard them as matters of private concern. There was a time when the Canadian Pacific, with all the aid it had received, found itself in a critical position. The Government had to come to its aid, and although their action in so doing did not escape adverse criticism there will be few if any to say to-day that the help should not have been granted. The Grand Trunk Pacific has already more than once had to seek assistance. At this moment it is representing that, owing to the very large increase in the cost of labour, materials and supplies, the earlier estimates of the cost of the division which the company are building have been greatly exceeded, and that therefore the Government should make the public aid proportionately larger. The Canadian Northern, under one name or another, is operating in almost every province of Canada. Its financial stability is a matter of importance to a very large number of corporations and individuals with whom it has had dealings, and also to the public interests represented by Dominion and provincial Governments.

To allow the concern to fail in its finances and leave the various railway lines in an unfinished state would be a national calamity that could not be seriously contemplated by any one possessed of a due sense of responsibility. The company, if it is in difficulty, as is alleged, must be helped, and the only questions to be considered are the form and extent of the assistance and the proper means of protecting, as far as that may be possible, the Dominion in the way of security for the aid to be given.

Now, Mr. Speaker, many suggestions have naturally been made to the Government in connection with the action to be taken under the circumstances which have been brought to our attention. I start with a premise with which I think every hon. gentleman in this House will agree, and that is that that system cannot be allowed to remain uncompleted. To leave a road upon which so much money has been expended, into which so much of the money of this Dominion and of the provinces has been poured, a road which has been endorsed by the financial guarantees, not only of the federal but of provincial governments—to leave that with two thousand or two thousand five hundred miles of road necessary to link up the whole system, in an unfinished condition, is a proposition to which no hon. gentleman on either side of the House would give his support and sanction. It was suggested to us, however, that the road should be allowed to go into liquidation, that its finances should be reorganized with a view to cutting down the amount of unguaranteed securities. I am free to admit that that proposal never commended itself to my judgment; and I say that, inasmuch as Canada is to-day in that condition of progress and development which makes it absolutely necessary that we should resort almost continuously to the money markets of the world, a saving of $30,000,000 or $40,000,000 or $50,000,000, if that were possible by that method, would in the end result in the loss of tenfold that sum to this country in view of its possible progress and development. It was apparent, as I have said, that the road could not remain uncompleted. It constitutes a part of a great projected transcontinental system and its traffic over the lines in operation has developed wonderfully during the last half dozen years and especially in the western provinces. To leave it uncompleted would retard the progress of this country for at least a generation; and as far as I can discern the situation, even if the road went into liquidation it could not be brought to completion within a reasonable delay unless this country should come to its assistance

by some such measure as this. Therefore, it seemed to us that under proper stipulations and under proper safeguards it was not only desirable but necessary for the country at this time to give such assistance as would insure the completion of that road at an early day.

Certain arguments against any assistance to the road were based also upon the connection of Sir William Mackenzie and Sir Donald Mann with this enterprise. The undertaking, on which they embarked in 1896, and which had its inception in the construction of 100 miles of railway in the province of Manitoba, has gradually developed into the proposed construction of a great national transcontinental system. I am free to confess that I think it would have been better, when the idea of that enterprise became fixed in the minds of Sir William Mackenzie and Sir Donald Mann, if they, by means of their large holdings of common stock and by their almost sole proprietorship of the enterprise, had seen fit in years gone by to associate themselves with large financial interests which, I think, could have been brought into the enterprise, so that the condition which confronts the country at this time might not have been before us to-day. I am saying no more here in Parliament than I have said, in terms even franker than those I have used here, to both Sir William Mackenzie and Sir Donald Mann.

But there was more than that. It has been asserted in the press and in the corridors of this House, and noised abroad throughout the country that large sums of money which have been raised for the purposes of this undertaking, through federal or provincial government guarantees, and by means of unsecured bonds, have been appropriated not to the purpose for which they were raised but to the private enterprises of Sir William Mackenzie and Sir Donald Mann. It is needless to say that if any such condition as that could be found to prevail, it would demand immediate and drastic action by the Government and by Parliament. Further than that, it was alleged that Sir William Mackenzie and Sir Donald Mann, as contractors for construction, had made very large profits out of the enterprise. Finally it was charged that the moneys raised, whether by Dominion guarantees, provincial guarantees, or without guarantees, had been improvidently expended or wasted. We thought it our duty, under the circumstances, to have the books and records of the system and, so far as it was necessary, other books and records investigated for the purpose of ascertaining whether or not there was any truth in the charge that moneys raised for the purpose of constructing this railway had been diverted to other enterprises. I am bound to say that the evidence which we have received, through the examination, inquiry and report of the expert auditors appointed by the Government, leads us to the conclusion that not one single dollar of the moneys raised has been diverted by Sir William Mackenzie or Sir Donald Mann to any other enterprise or appropriated to any other purpose than the construction of this road. We also felt it our duty to investigate, and we did investigate, the question as to whether or not profits had been rereceived by Mackenzie and Mann in respect of construction and whether or not the moneys expended had been prudently and providently used in the prosecution of the work. I think the extent of work which has been done and the amount which has been expended upon it, when contrasted with the results which have obtained in the case of other similar enterprises, whether in this country or in the United States, would reasonably lead one to the conclusion that the money has been prudently and providently and wisely expended. So far as profits are concerned, I have already placed upon the table of the House the report of the auditors, which indicate that no profits have been received by Messrs. Mackenzie and Mann out of the construction of the road; that they have been acting for some years past as construction agents for the Canadian Northern Railway system; that the only remuneration or compensation which they have received for their services up to the present time has been the allocation to them of common stock; but that they would, unless a safeguard had been provided by the resolution now proposed, have been legally entitled to a claim against the Canadian Northern Railway system of $15,000,000, $20,000,000 or perhaps $25,000,000 for the services which they have rendered, upon the ordinary basis of computation which I understand is applied to such cases. In saying that I desire hon. gentlemen in this House to realize that these two gentlemen have devoted 18 years of their lives almost entirely to the prosecution of this enterprise, which already has attained an important status in the transportation system of this country, and I

think it will be admitted that they have brought to the prosecution of the work which they have undertaken an amount of ability and energy and skill which, perhaps, has not been exceeded in this country or in any other country in connection with the carrying on of such enterprises.

In addition to the report of the auditors, to which I have already alluded, we have a declaration from the comptroller of the company, Mr. Alfred James Mitchell, of the city of Toronto, who has had charge of the accounts and records of the Canadian Northern railway and of the Mackenzie and Mann Company, Limited, and who has peculiar means of knowing of the matters in respect of which he deposes in this declaration. It is as follows:

In the matter of the Canadian Northern Railway Company and of Mackenzie, Mann and Company, Limited.

I, Alfred James Mitchell, of the city of Toronto, in the county of York, Esquire, do solemnly declare:

That I am the comptroller of MacKenzie, Mann and Company, Limited, and as such have a knowledge of the facts hereinafter stated.

MacKenzie, Mann and Company, Limited, have acted as contractors for the Canadian Northern Railway Company in the construction of certain of its lines and of certain allied lines, as per schedule 'A' attached hereto.

It will not be necessary for me to read the schedule. (Reading):

In connection with the construction to date of such lines, I say that to the best of my knowledge and belief and according to the books kept by me as such comptroller, no contractors' profits or percentage had been received directly or indirectly by Mackenzie, Mann and Company, Limited, or by any other person on their behalf or for their profit, save and except certain fully paid common stock of the said Canadian Northern Railway Company and of its allied lines issued to them from time to time, the question as to payment for services or profits being left open for future adjustment.

The moneys received to December 31, 1913, by Mackenzie, Mann and Company, Limited, for railway construction as aforesaid amount in all to the sum of two hundred and twenty three million, four hundred and seven thousand, six hundred and forty one dollars and ninety eight cents ($223,407,641.98) and the whole of the moneys so received have been paid out by the Mackenzie, Mann and Company, Limited, for construction of the said railway lines leaving no profit to them other than the said common stock.

And I make this solemn declaration conscientiously believing it to be true and knowing that 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 Ottawa, in the county of Carleton, this twenty first day of April, A.D. 1914.

A. J. Mitchell

Z. A. Lash,
A Commissioner for taking affidavits, etc.

[Mr. Borden.]

In addition to the suggestion to which I have already alluded, it has been alleged that although Sir William Mackenzie and Sir Donald Mann did not make any profits either individually or under the corporate status of the Mackenzie and Mann Company, Limited, they did make profits out of the enterprise as proprietors of or as interested in a construction company known as the Northern Construction Company, Limited, and that the secret of the profits alleged to have been received by them lay in their connection with that company. We have been furnished with an original declaration, which is in the possession of the Government, a copy of which I will lay upon the table of the House. It is as follows:

Dominion of Canada, province of Ontario, county of York, To Wit:

In the matter of The Northern Construction Company, Limited.

We, Alexander Robert Mann, of the city of Vancouver, in the province of British Columbia, and Archibald Mackenzie, and Charles Cummings, both of the city of Winnipeg, in the province of Manitoba, do and each of us doth hereby declare:

1. That we are President, Vice-President and Secretary-Treasurer respectively of the Northern Construction Company, Limited.

2. That we have full knowledge of all the affairs of said company.

3. That neither Mackenzie, Mann and Company, Limited, nor any shareholder or director in such company, nor Sir William MacKenzie, nor Sir Donald Mann, have any interest of any kind whatsoever, directly or indirectly, in the Northern Construction Company, Limited, or in its capital stock, or in its property or assets of any description, or in any profits or earnings resulting from the company's operations, contracts, or works.

And we make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

A. R. Mann,
A. Mackenzie,
C. Cummings.

Declared before me at the city of Toronto, in the county of York, this ninth day of May, A.D. 1914.

Gerald Ruel,
A notary public in and for the Province of Ontario.

I am not concerned here to speak in any sense on behalf of Mackenzie and Mann, Limited, or Sir William Mackenzie, or Sir Donald Mann. The question that we have to discuss and consider in Parliament at this juncture is one which transcends the interest of any individual in the country. It is a national question and one which must be looked at from a national standpoint only. It is, however, proper to say that it has been represented to us that

Sir William Mackenzie and Sir Donald Mann have put into this enterprise very large assets which they might, under the law of the land, have retained for their own benefit in the early stages of the development of this system. The Lake Manitoba Railway and Canal Company was, I think, the name of the company whose charter they first acquired. Then came the Winnipeg and Hudson Bay railway and the Manitoba and Southeastern Railway Company, and perhaps some other companies in Manitoba. It is fair to say that the charters of these companies had gone begging for half a dozen years before Messrs. Mackenzie and Mann took hold of them, and during all those years no man had ever come forward to carry out the particular enterprises in connection with these companies which Messrs. Mackenzie and Mann did carry out. It is perfectly well understood by hon. gentlemen in this House familiar with such matters that these charters carried with them large land grants, and that it would have been possible for any man in Canada to have acquired those charters and, by the construction of those roads, to have acquired the lands which were granted as a subsidy in aid of that construction if he had seen fit to do so. Mr. Mackenzie and Mr. Mann came forward and acquired those charters and, by the construction of the roads, acquired also lands of very great extent, amounting, I think, to over four million acres in all, which at the time when they were acquired were probably of very little value and possibly could not have been sold at all, but which eventually, through the development and progress of the country, have acquired a very substantial and indeed a very large value.

I think it ought to be said in justice to these men that all those lands, which under the law of the land they might have retained if they had desired to do so as their own property absolutely, were not retained by them, with the exception, I believe, of one hundred thousand acres, but were placed into this enterprise. The amount already realized from these lands is $17,000,000 and upwards, which has been added to the assets of the Canadian Northern Railway system. There is enough of these lands left to provide, at current prices, something like $12,000,000 more. So it ought to be said, in fairness to these men, that, having the right to retain these lands and to retire from railway construction as men with very large fortunes, they had the ambition to construct a great national transcontinental railway system and into that system they placed the $29,000,000 of assets to which I have just alluded, being the proceeds of the lands which they acquired from the construction of those three lines of railway. I have no doubt that the original idea and ambition of these gentlemen was to make large fortunes out of the construction of railways, and that they did not have in their minds any idea of constructing the great transcontinental system which is almost complete to-day. But it would seem to me that the course taken by them indicates that many years ago the mere idea of making a large fortune out of this enterprise ceased to be their sole purpose; that they did desire as well to build a transcontinental railway line which would be an important factor in the railway development of this country.

In connection with their idea of building a national transcontinental railway system this also may fairly be said. I have heard it charged against them that if they had been contented simply to develop their lines in the three Prairie provinces and not to reach out to the West, they would have had a very profitable railway system in western Canada and one which would have been of very great service to the country. I think it is only fair that I should give it to the House that their idea in making their eastern extension was that, previously to the projection of the Grand Trunk Pacific railway, they had in eastern Canada a road, the Grand Trunk railroad, with no western connections, with which they could make a working arrangement and provide for an interchange of traffic upon reasonable terms. But when the Grand Trunk Pacific Railway project was brought about they found themselves confronted with this situation: They had to meet the competition of two great railway systems reaching into the east as well as into the west of Canada, and so they would have been isolated in their operations, they would have been handicapped and might have been oppressed. For the reason that the second transcontinental railway was launched in that way they had the belief, whether it was right or wrong, that, in the very nature of things, it was essential for them to press on into eastern Canada.

It was necessary also for us to go into the question of future earnings and future expenditures, for betterments or otherwise, because these betterments would undoubtedly be necessary even if the road should

be completed. The anticipation of the company as to earnings after the completion of the system is to be found on page 14 of the printed documents, and upon the same page is to be found a statement of the earnings of the company during the last fiscal year. In considering the possibility of the system acquiring earning power sufficient to meet its total fixed charges, we sought the advice of engineering and traffic experts of the Intercolonial railway. It is obvious that the future earning power of the system will depend on the progress and development of the country and the future expenditures for betterments on traffic necessities. While it is possible that the expectations of the company, which are very sanguine, may not be realized, it must, nevertheless, be remembered that the system at present has an earning power equal to that of the Canadian Pacific railway in 1901, and if the country develops in the future as in the past, of which we can have no reasonable doubt, the earning power of the system may be expected to increase accordingly. More than that, we are informed that the line from Montreal to Port Arthur and from Edmonton to the Pacific coast is of a high character, and will lend itself to low operating charges.

The main consideration which influenced us in placing these proposals before the House was the necessity for the completion of the road. We were impressed by the fact that liquidation must involve long and serious delay in the completion of the enterprise, and must materially retard the development of the country. We were impressed by the fact that such liquidation would impose serious charges and burdens not only upon the federal exchequer, but upon the provincial treasuries. We were impressed by the fact that very large sums, amounting to many millions, were owing to contractors, subcontractors, merchants, material men, and labourers throughout Canada. And we were impressed also by this fact: that a reasonable confidence in the future development of the country should lead to the belief that the enterprise could be carried to a successful conclusion. It has been suggested that adequate provision has not been made in the resolutions which we propose for the payment of contractors and labourers. So far as labour is concerned, there is already in chapter 98 of the Revised Statutes of Canada most ample provision. So far as the resolutions are concerned, although I do not intend to go into any argument upon that point at the moment, I may call the attention of hon. gentlemen to the fact that under clause 6 of the resolutions it is provided that the dispositions of the moneys to be raised by means of the guaranteed securities shall be such as the Governor in Council approves; and we shall take care that all contractors, material men and others who have made advances or to whom debts are owing shall be fully protected in connection with the completion of this road.

The road when completed will have an indebtedness of about $40,000 a mile, and fixed charges of $1,600 per mile, which I think will compare very favourably with other systems in this country and the United States. Undoubtedly, if conditions had permitted it, it would have been desirable to organize a new corporation which would take over the assets and undertakings of all the various companies which form part of the system. We are convinced, however, that by reason of the methods of financing adopted in the past, the great variety of securities issued, and for similar reasons which seemed cogent to us, it is impossible to accomplish this at the present moment. Nevertheless, we required, so far as it was practicable, that all the lines constituting the system should be brought under one management, and in effect amalgamated. The method which has been adopted accomplishes this result in effect while at the same time it does not affect the priority of charges or liens which have been created in the past, and which eventually may, under some refunding arrangement, be arranged so as to permit the entire ownership of the lines to be vested in one corporation. In that regard I would like to say that the Government have been careful to see that every security which could have been made available through amalgamation, has been acquired.

4 p.m.

The total capitalization of the various companies amounts to $138,500,000, and further proposed capitalization of the Montreal Terminals and of the Canadian Northern Manitoba railway would bring that amount up to about $145,000,000. The total capitalization of the system has been reduced to $100,000,000 by the following method: The stock of all the subsidiary and constituent companies—to which I shall allude as the allied companies—has been transferred to the Canadian Northern railway, and the capitalization of that company has been fixed at $100,000,000. The several companies are prohibited from any further issue of stock.

The proposed issue of $45,000,000 is to be made by the Canadian Northern railway—the parent company to which all the stock of the allied companies is to be transferred—and the Government is to be safeguarded against any liability upon this guarantee by the following securities:

1. A mortgage upon the undertaking, property, assets and revenues of the Canadian Northern railway, which comprises some 5,350 miles, extending between Port Arthur and Edmonton, and includes numerous branches in the three prairie provinces.

2. A mortgage or charge upon the properties and assets of the allied companies to the extent to which any of the moneys raised by the guaranteed securities may be appropriated and paid for construction or betterment of their respective undertakings.

3. A mortgage or charge upon the shares of the allied companies now transferred to the Canadian Northern.

4. A charge upon all the securities and stocks enumerated in the second schedule, and a first charge upon the Brockville and Westport railway—a small railway of about 45 miles.

5. A charge upon the equity of redemption of Mackenzie, Mann and Company, Limited, in $10,000,000 of capital stock, and $10,000,000 of first debenture stock in the Canadian Northern Town Properties, Limited.

Some further explanation may be given at a later date with regard to the value of that security. We regard it as very valuable security indeed.

In addition to twenty-one million dollars now owing in respect of construction, the Canadian Northern and its allied companies have incurred liabilities to the extent of $20,703,865—as shown on page 112 of the documents brought down—upon temporary loans secured by the deposit or pledge of securities which under present conditions are not saleable at a reasonable price.

The fourth section of the resolution provides that covenants or undertakings to the satisfaction of the Government shall be given by Mackenzie and Mann, Limited; that these loans shall be paid, and that no proceedings against the Canadian Northern or any of the allied companies shall be taken in respect thereof. Our idea in that regard is this: we are guaranteeing $45,000,000 worth of securities, as asked for by the memorandum which I read to the House in the early portion of my remarks, to ensure the completion of this road. When we found that these temporary loans were outstanding to the extent mentioned, that they were secured merely by the pledge of certain bonds and debentures, we made it a stipulation that these temporary loans should be taken care of by Mackenzie and Mann—not by the country—and that the proceeds of the $45,000,000 of guaranteed securities should be available for the completion of the road, and not used to pay off these temporary loans.

In addition to this indebtedness it has been found that the current indebtedness of the Canadian Northern and allied companies, the normal amount of which would be in the vicinity of three million dollars, has risen to the sum of $10,408,128.30. The Government have exacted a stipulation—which is to be found in the fifth clause of the resolution—that security to the satisfaction of the Government shall be given by Mackenzie and Mann and by Mackenzie, Mann and Company, Limited—not only their own covenant, but such further security as the Government may demand—that this indebtedness will, within one year, be reduced to the normal or usual current amount, which is to be determined by the minister, and that in the meantime no proceedings shall be taken against the company for payment of the same. The giving of such guarantees or securities in respect of the temporary loans and of the current indebtedness are made conditions precedent to any guarantee by the Government.

We have also provided by clause 9 of the resolution that the books, returns, reports and other records of the Canadian Northern and allied companies shall at all times be accessible and open to inspection by competent experts appointed by the Government.

In that connection and for a similar reason, we have provided that the Government shall have authority to appoint a director of the Canadian Northern and a director of each of the allied companies, and that the Government shall have power to remove any such director and to appoint another director in his stead. Such director shall have the power to cause meetings of directors or shareholders to be held at any time, and in that way we believe that the Government will be kept fully in touch with and fully acquainted with the proposals of the management and the condition of the undertaking from time to time.

For further safeguard we have also pro-

vided that the company shall, within five months after the close of each fiscal year, furnish to the Government a balance sheet showing the financial condition of the Canadian Northern Railway System for the year then completed.

As the system has long since assumed the status of a transcontinental railway, we considered it important that all companies whose lines are included in the system should be brought within the legislative jurisdiction of the Parliament of Canada and made subject to the control of the Board of Railway Commissioners for Canada. This has been accomplished by section 15 of the Bill, which will follow the resolution. My hon. friend from South Renfrew (Mr. Graham) urged that point upon us, when certain proposals affecting this company were under consideration by Parliament last year. We have thought it desirable that this provision should be inserted, not only with regard to the company to which he called attention then, and which indeed was the only company under consideration at the time, but that it should also be applied to all those companies which are not at present subject to the legislative jurisdiction of the Parliament of Canada and which form part of the Canadian Northern system.

The Government have thought it desirable in the public interest and for the reasons already stated, that the road should not be permitted to go into liquidation. Nevertheless, as the contingent liability which is imposed upon the people of the country by the proposals which are now before the House is a substantial one, we have held it to be reasonable that the people of this country, lending their credit for the completion of this enterprise, should also directly participate in any profits and advantages of the enterprise if it is carried to a successful completion. Therefore, in fixing the total capitalization of the Canadian Northern Railway system at $100,000,000 we have required that $40,000,000 thereof shall be absolutely vested in the Government as trustees for the people of Canada who will thus participate in any value which may eventually accrue through the progress and development of the country. I venture to say that there is no man in this House or in this country who will deny that the people of Canada, in coming to the assistance of this enterprise at this juncture, are reasonably entitled to the compensation which we have asked for in these proposals and upon which we intend to insist. The capitalization of the whole system, when these negotiations commenced, stood approximately at $145,000,000 of which $138,000,000 were held by Mackenzie and Mann and $7,000,000 were held by the Government. In consideration of the assistance now afforded to the enterprise, this capitalization has been reduced to $100,000,000 of which $60,000,000 are held by the former proprietors and $40,000,000 are held by the Government. The stock of Mackenzie and Mann has thus been reduced by $68,000,000 and the stock of the Government has been increased by $33,000,000. To permit the road to go into liquidation would not only injure seriously the credit of all Canadian enterprises and of Canada itself for many years, but would involve long delay in the completion of the enterprise.

Mr. MACDONALD: Before the right hon. gentleman leaves that question of stock, I would like to understand what the effect of subsection I of section 12 of the agreement has, in providing for the issue of $25,000,000 additional stock for the purpose of retiring income.

Mr. BORDEN: I had omitted to mention that, and of course, as far as most of the details are concerned, we can more conveniently discuss them in Committee. My understanding of that is this: that among the securities which have been issued by Mackenzie and Mann, Limited, were Income Convertible Debenture Stock, to the amount of $25,000,000. I understand that in case of liquidation it would be a charge upon the enterprise, but that the interest payable upon it is not a charge except in so far as the directors may declare that the income has been earned. If, for example, it should be declared that the income has not been earned during a certain period, then the income for that particular period would not be recoverable, by the holders of the stock; in other words, it is not cumulative. Twenty-five million dollars of that description of stock has been issued with an option covering a certain period during which it can be exchanged for ordinary stock. There is in the resolutions a provision, which has been alluded to by my hon. friend, that if those who hold at the present time the income convertible debenture stock, to the amount of $25,000,000, should desire to make that exchange, then ordinary stock may be issued by the company for the requisite amount, in which case a corresponding amount of income convertible debenture stock will be wiped out.

Mr. MACDONALD: In addition to the $100,000,000 ?

Mr. BORDEN: In addition to the $100,000,000; it is a change of form. If those who hold that stock desire to do so, they may, within a limited period, which I understand it is the intention of the Canadian Northern to extend, exchange that for ordinary stock. It will be merely an exchange, a substitution of one stock for another already in existence.

Mr. CARVELL: Is that $25,000,000 of income charge convertible debenture stock included in the securities issued, and mentioned at page 32, amounting to $312,000,000?

Mr. BORDEN: I am informed by the Solicitor General that it is. In connection with the importance of the early completion of the road, I may say that I have received certain communications, which have been placed on the table of the House, and it might be proper that I should read them now. They are communications from the Prime Ministers of four of the provinces. The first one in order of date is a communication from the Hon. George H. Murray, Premier of Nova Scotia, and it is as follows:

Halifax, N.S., March 14, 1914.

Hon. R. L. Borden,
Prime Minister,
Ottawa.

Nova Scotia Government realizes that Canadian Northern contributed very largely to railway development in this province, operating at present over four hundred miles. We feel that this progressive railway situation could only have been brought about by the enterprise of such a concern, and the province, by reason of accepting their guaranteed bonds for large sums is vitally interested in the future of this company. Government feels that any reasonable assistance consistent with public interests that can be accorded by the Dominion to the Canadian Northern would be a policy which would be acceptable to our people as it would enhance provincial credit.

(Sgd) G. H. Murray.

Then, there is a telegram from Sir Richard McBride, as follows:

Victoria, B.C., March 16, 1914.

Rt. Hon. R. L. Borden,
Prime Minister,
Ottawa, Ont.

Press reports state that you say no agreement has been arrived at with the Canadian Northern. You will be interested to learn that operations of this company from Alberta to coast and Vancouver island are of highly satisfactory nature. Main line from Yellow Head pass to coast is magnificent piece of construction and am advised provides finest route on continent with lowest grades. Their work has been thoroughly carried out, roadbed and steel of finest order. Expenditure to date here in excess $36,000.000, and contract with provincial Government well lived up to. Considering whole undertaking of national importance do not hesitate to say, if representations made you for aid to enable them to complete at once arrangements for first-class transcontinental service are based on fair, reasonable grounds, there should be ample justification in extending support. Canadian Northern cost approximately $70,000 per mile in British Columbia. Province granted this session additional $10,000 per mile to original $35,000 for main line. These with $12,000 from Dominion still leave balance $23,000 added to which, in the light of past experience, must be large initial expenditure for final completion and equipment in order to carry on first-class service.

(Sgd) R. McBride.

The next letter is from the Hon. J. A. Calder, acting premier of the province of Quebec, under date of Ottawa, April 17, 1914:

Dear Mr. Borden:

As I have been advised that you are not expected to return to Ottawa until next Monday or Tuesday, and as I must leave for the West on Friday, I regret that I shall not have another opportunity of discussing with you the question of further federal aid to the Canadian Northern Railway Company. Since our last conference I have given the matter a good deal of consideration and now wish to communicate to you briefly the general conclusions I have reached.

As I understand the situation, the company in question has made application to your Government for further Dominion aid, chiefly, if not solely, on the ground that such aid is required to enable it to complete and put into operation its main line through British Columbia and east of Port Arthur, thereby providing the necessary outlets for the network of branch lines which the company has constructed throughout the prairie regions.

Regarding the necessity which may exist for the assistance applied for I have no opinion to offer as I have no knowledge of the facts. On the other hand, however, it appears to me that there can be no room for a difference of opinion as to the desirability of having the company carry to completion its through lines at the earliest possible date, more especially as these eastern and western outlets for the products of the prairies have already been largely provided for and are approaching completion.

I have already given you my views with respect to the absolute necessity which exists for the immediate construction of additional branch railways in Saskatchewan. If you desire confirmation of the same I would refer you to the recent decision of the Board of Railway Commissioners in the western freight rates case. The whole question was investigated thoroughly by the board and their conclusions, as well as their reasons therefore will be found embodied in their report.

Viewing the matter, therefore, from this standpoint, it seems to me that if there is any likelihood that the Canadian Northern railway, on account of the magnitude of its through line undertakings may without additional federal assistance, be left in such a position as to compel it to curtail or hold back its branch line development, the loss to western Canada would be very great indeed.

At present we have thousands of settlers who have been patiently waiting for some of these lines for years, and it would be exceedingly unfortunate, under conditions now prevailing, should there be any further delay in providing the branches required.

To sum up, therefore, it seems to me that not only the West but the whole of Canada is directly interested in the early completion of the through lines of the Canadian Northern railway, as well as the building of those branches so urgently required through large settlements that are at present without adequate railway facilities. If, therefore, upon thorough investigation by your Government, it is ascertained that the company in question must have further federal aid to enable it to complete the undertakings to which it and the country are already committed, it appears to me that there is but one course to follow, namely, to grant the aid required.

Yours truly,
(Sgd) J. A. Calder.

Then there is a further telegram, under date of March 20, 1914, from the Hon. A. L. Sifton, Premier of Alberta, which is in the following words:

Paris, 20th March, 1914.

Premier Borden,
Ottawa, Canada.

With present financial conditions would consider advisable federal guarantee with proper safeguards sufficient to ensure early completion and operation main line Canadian Northern. Prosperity settlers on present and prospective branch lines Alberta and West generally should be greatly enhanced by early completion.

(Sgd) Arthur L. Sifton.

I have already stated that, for the reasons indicated, we thought the road should not be permitted to go into liquidation. The country, however, may be confronted with conditions in the future which will render prompt and vigorous action necessary. We have made provision for immediate and summary action in case default shall be made by the company in the payment of the securities now proposed to be guaranteed, or of any of the securities of the Canadian Northern Railway Company or its allied companies. The definition of default is set forth in the 21st clause of the resolution; and by the 22nd and subsequent clauses it is, in effect, provided that, if such default takes place, the Governor in Council may, upon such notice as he deems expedient, declare vacant the offices of the directors of the Canadian Northern Railway Company, or of any of the allied companies, and may appoint a new board or boards, upon which very extraordinary powers are proposed to be conferred. Among such powers are the creation of any additional securities, the making of arrangements with the holders of any outstanding securities, and the transfer, with or without compensation, of the Canadian Northern system, or any part thereof (subject to then existing charges) to any corporation created by the Parliament of Canada for the purpose.

It is also provided by clause 24 that, if authorized by the Parliament of Canada, the Governor in Council may, in case of default, declare that the interest of Mackenzie and Mann, in the Canadian Northern Railway system is absolutely barred and foreclosed, and that all the properties and assets thereof, subject to any outstanding obligations, shall thereupon vest in the Crown in the right of the people of Canada

So if, as apprehended in some quarters, the road cannot, with the assistance now afforded, be brought to a successful conclusion, the Government and Parliament of Canada will have the situation in hand better than by any possible method at the present time. In effect we propose to provide in the first place that a certain amount shall be available for the early and immediate completion of the road, and, if the road is not carried to completion by means of that aid, then the people of Canada, through their Government and Parliament, are enabled in the most effective and vigorous way to grasp the situation, and carry to completion, for their own benefit, one of the great transcontinental railway systems of Canada.

Some features of the agreement should also be called to the attention of the House. Prominent amongst these is the release of all claims for contractors' profits, commissions or otherwise, against the Canadian Northern railway. The provision to which I wish to call attention, and which is, in my opinion, a very important one, will be found at page 19 of the Orders of the Day. That clause reads as follows:

That the contractors—

Which includes Mackenzie and Mann as a corporation and Mackenzie and Mann individually.

—will not at any time make or seek to enforce any claim for contractors' profits commissions, or otherwise against the Canadian Northern, or against any of the constituent or subsidiary companies, upon or in respect of any express or implied contract, understanding, agreement, or stipulation of any kind, heretofore or hereafter made, whereby or whereunder they, or any one or more of them, may now or hereafter be entitled to receive from the Canadian Northern, or from any of the constituent or subsidiary companies any construction profits, in respect of work heretofore undertaken, or as consideration for transfers of properties, rights of franchises already trans-

ferred, or to be transferred under sub-clauses (a) and (b) of this clause, or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released.

We insisted upon that provision for the reason that although we then believed, and still believe, that Mackenzie and Mann had an absolute legal claim against the Canadian Northern railway and the constituent companies for a very large sum of money, yet in view of the large holdings of common stock which they have acquired, and in view of the assistance which the country at the present time is bringing to the enterprise, it was no more than fair that they should give the absolute and unqualified release which is embodied in this clause.

The agreement also provides that all freight originating on the line of the Canadian Northern railway or any of the allied companies when destined for points in Canada shall be carried over Canadian lines, or if destined for points outside of Canada, to Canadian ports, and that the through rates thereon shall not be greater than via United States ports. In this provision we have not inserted the qualification which has been inserted on a previous occasion 'Unless otherwise routed by the shipper.' The condition as it stands in the resolution and as it has been assented to by the Canadian Northern railway is absolute and unqualified.

Provision is also made for the exchange of traffic with the Intercolonial railway, subject to existing agreements, and for running rights over the Canadian Northern railway upon such terms as shall be agreed upon and fixed by the Board of Railway Commissioners of Canada.

Now, I wish to come to the financial details set forth in the statement furnished by the Canadian Northern railway and verified by reports of the Government's auditors. In respect of these, the following explanation may be given:

The amount of outstanding securities, given at pages 32 and 33 is $311,276,822.32. In another portion of the printed document brought down the amount of securities reported by the auditors is fixed at something over $312,000,000. I will not pause to explain that apparent discrepancy, but a full explanation will be given when we reach that part of the agreement. The total proceeds as shown at page 33 of the printed documents are $246,768,389.16. The difference between these two sums is made up as follows:

1. Securities used directly in the purchase of equipment. (Item 17 at page 30 shows that there has been spent for equipment $23,746,000.)

2. Securities not sold but delivered in connection with the purchase of other lines; securities which do not take the form of money coming into the hands of any trustee or into the hands of Mackenzie and Mann, Limited.

3. Securities not sold but delivered for acquisition of prior liens on loans purchased.

4. The discount, that is the difference between the amount realized and par value.

I have already made an explanation with regard to the payment of subsidies and the payment of proceeds of securities which I intended to make also at this juncture, but I think I have made the position clear to the House and need not repeat. Coming to page 26 of the printed documents, it will be seen that the total receipts by the Mackenzie and Mann Company, Limited, on account of construction aggregate $223,467,641.98. This amount is made up as follows:

Withdrawals on account of construction	$164,422,303 78
Rolling stock securities	32,811,467 87
Halifax and Southwestern land	175,090 11
Halifax and Southwestern bonds	675,000 00
Subsidies	25,323,780 22

The total expenditure by Mackenzie, Mann and Company, Limited, shown at page 28, amounts to $244,670,169.24. Taking from this the sum of $223,407,641.98 above mentioned, it will be seen that there is a balance of $21,262,527.26 which is represented in part by amounts owing to contractors and in part by moneys raised by Mackenzie, Mann and Company, Limited, for the purpose of construction. Details of this sum are to be found at page 42 and full particulars of the additional amount required for construction and for the estimated cost of betterment will be found at page 15.

I do not know that there is anything further which it would be desirable for me to say at the moment in connection with the financial details of the enterprise. I need not assure the House that the proposals which we present to Parliament have received very careful and anxious consideration and that we submit them to the House with every confidence. It is our firm belief that the public interest has been thoroughly protected, but if it can

be more effectively safeguarded we shall be glad to consider suggestions to that end. The commitments of Canada in aiding transcontinental railways are very great. I will not pause to consider their wisdom, as the hour for that has passed. The collapse of this enterprise would undoubtedly be a national calamity. It may well be added that lack of courage in dealing with it would be a national disgrace. The enterprise must proceed, but the interest of the country coming to its assistance must be considered and it has been considered. Every dollar of the money to be raised by means of the securities which we propose to guarantee will be used for the payment of existing liabilities of the Canadian Northern system and for the completion of the road. If the expectations of those who believe the enterprise can be carried to a successful conclusion are disappointed, then a summary method has been provided by which the road can be taken over, the system reorganized and either be transferred to another corporation constituted for the purpose, or pass into the ownership of the people. If, on the other hand, the enterprise meets with the anticipated success, the country will have acquired a two-fifths interest therein as compensation for the guarantee of forty-five millions of dollars. The Canadian Northern system to-day has earnings equivalent to those of the Canadian Pacific railway in 1901. We all confidently hope, and, more than that, believe that the progress and development of Canada during the next twelve years will not be less than that with which this Dominion has been favoured since 1901. In that case it may reasonably be anticipated that the compensation now received from the company for the aid proposed by these resolutions will amply recoup and compensate Canada for every subsidy and guarantee that it has brought to the assistance of this railway. It may not be amiss to bear in mind that a like policy applied thirty years ago in affording assistance to the Canadian Pacific railway would have most amply recouped the country for all its aid to that great undertaking. And so to-day our faith in the future progress and development of this Dominion impels us to believe that for the assistance now proposed the country is receiving a consideration which in the years to come will more than amply compensate not only for the pledge of the country's credit which we now propose, but for all other aid which has been granted to this enterprise—and in both cases the country has secured also the construction of a great transcontinental railway.

Sir WILFRID LAURIER: Mr. Speaker, in rising to present the views which I and those with whom I am associated on this side of the House entertain with regard to the resolution which has been presented to the House, I hope that I shall not be considered as making a vain boast if I say that it is our firm purpose to approach this question with minds as free as they can be from consideration of party interest considerations which are never absolutely devoid of passion, and to give to this very important question the attention to which it is entitled, and upon its merits alone.

I may confess at once that I have long believed that this country requires three transcontinental railways and although this theory has been sometimes controverted, in this House and out of it, I have never seen any reason to change my opinion. The Americans have three transcontinental railways, the Union Pacific, which is the oldest, the Great Northern and the Southern Pacific, and these three are scarcely adequate to meet the needs of the enormous trade which they have to carry. It is no vain boast to say that in prospects our western country is certainly equal, if not superior, to the western part of the American Republic. Not the whole but the greater part of the American territory west of the Mississippi river is a barren desert which is and must for all time remain unproductive, whereas our own country west of lake Superior is, every inch of it, not only arable but fertile, and not only fertile, but fertile as few other countries are. For my part I can say that I have always favoured the efforts of our two fellow citizens whose names have been mentioned several times by my right hon. friend, and who have applied themselves for many years to the task of binding the continent with another band of steel. The late Government were not slow to interest themselves in the enterprise and to favour it as much as they could. The beginnings of the railway system which we are now considering were certainly very modest, and I doubt if even its projectors, Sir William Mackenzie and Sir Donald Mann, thought at that time that their system would attain the proportions which it has since atained. It was, as has been stated by my right hon. friend, in the year 1896 that Messrs. Mackenzie and Mann went into railway construction. It is to their very great credit that the first venture which

they took up was an enterprise which had gone a-begging and which nobody dared to tackle at that time. With the assistance of the provincial Government of Manitoba, they started the construction of a small line of railway branching out north and west from the existing system. In 1899, or thereabouts, after we came into office, we asked Parliament to give them assistance to extend the railway system then in existence in Manitoba eastward to the end of lake Superior. If I remember rightly, we gave them a cash subsidy of $6,400 a mile for that length of railway. Later, in 1903, we induced Parliament to give them a guarantee of $13,000 a mile for a line of railway running through Manitoba to the city of Edmonton. Afterwards, in 1908, we asked Parliament to give them another guarantee of bonds to provide for several branch lines which would be feeders of the line in the prairie provinces. In 1911, as has been explained by my right hon. friend, it was considered that the system would not be complete unless it were extended eastward to the St. Lawrence and eventually to the Maritime provinces, that is to say, unless it were made a transcontinental railway, and in that year we asked Parliament to give to the enterprise from Port Arthur to Montreal a guarantee of bonds to the extent of $25,000 a mile. After the new Government came into office they took up the policy which we inaugurated. In 1912 Parliament was asked to assist a line from St. Albert to the limits of the province of British Columbia, a distance of 115 miles, with a subsidy of $35,000 a mile. They also asked and got from this Parliament a cash subsidy of $12,000 per mile in British Columbia, for a distance of 525 miles. I for my part, and those around me, did not assist in that last vote, for reasons which I shall explain later on. Last year the Government again extended its bounty to the enterprise and Parliament granted it a cash subsidy from Ottawa to Port Arthur, a distance of 910 miles, of $12,000 per mile, or $10,920,000; and from Edmonton to the boundary of British Columbia, a distance of 260 miles, a cash subsidy of $12,000 per mile, amounting to $3,120,000; in all, $14,040,000. Thus, since the present Government came into office, this enterprise has been assisted to the extent of $24,365,000, of which $4,000,000 was only a guarantee, while $20,040,000 was actual cash. Last year, when my right hon. friend asked the bounty of Parliament for the enterprise, he expressed his opinion—I shall not say conviction, but his strong opinion, or rather the opinion of the promoters of the enterprise, Messrs. Mackenzie and Mann—that with the assistance which we were then giving them, they would be in a position to complete the enterprise by the borrowings which they could make elsewhere. Unfortunately, as we know, these sanguine expectations have not been realized, and they are again before us for a further bounty from Parliament, which, as they again assert, will enable them to complete their system.

It has been current in the corridors of this House, in clubs, in the streets, and in the press all over the country, that the Canadian Northern Company was stranded financially, that the owners of it could not advance any more—nay, that there were against them millions upon millions of liabilities due to their contractors, to their furnishers, to the banks, which they were unable to meet. It was stated also that, unless the country came to their assistance, we were threatened with a financial crisis. It was represented to us that the situation was pretty much the same as the situation in 1884 when the promoters of the Canadian Pacific railway came before Parliament and asked for a loan of $30,000,000 in order to face liabilities which they were unable to meet, and thus avoid a financial crisis. If, Sir, these rumours, which we have heard every day almost since the opening of the session four months ago, had been realized, if it was true that the finances of the company were in such a condition that they could not meet their liabilities, that their credit was exhausted, and that possibly, unless assistance were afforded to them, some financial institution might be in serious peril, involving the fall of some other institutions not so strong, the condition of things would be far different from the condition of things stated by my right hon. friend. If the situation to-day were the same as it was in 1884, as we had expected, if the promoters of the enterprise had represented to us that they were for the moment financially embarrassed, that in view of the conditions of the financial market they could not realize any more upon the securities which they had in hand, and that unless we came to their rescue we might have to face a financial crisis, I for my part, would have been inclined to favour doing exactly what was done by Parliament in 1884—lend them the money in order to avoid that financial crisis. But, Sir, this is not the condition which is pre-

sented to us to-day. This is not the statement which is made by the promoters of the enterprise, Messrs. Mackenzie and Mann. They do not represent at all that they are unable to meet their liabilities. They say, on the contrary, and it is stipulated in the resolutions—and my right hon. friend has just insisted upon this point—that the money which is to be raised on the guarantee which they ask of us is not to go to the payment of their liabilities, but is for another object. Indeed, when the resolution was laid before the House some days ago, a communication coming from the Government was given to the ministerial press in which you could read this:

As the company, outside of the amounts owed to contractors, which are very large at the present time, owes also about $14,000,000 of temporary loans raised by the pledging of securities which have not been sold and which hitherto have not been saleable at a reasonable figure, and as the company has also floating indebtedness of between $10,000,000 and $11-000,000, the Government have stipulated that Mackenzie and Mann, Limited, shall give absolutely satisfactory security that both the temporary loan and the floating indebtedness shall be paid off by them without recourse in any way to the moneys which are to be raised by the guaranteed securities for the completion of the road.

Therefore it is very plain that not a dollar of the money which is to be raised upon our credit is to go to discharge the liabilities of Messrs. Mackenzie and Mann or of the Canadian Northern railway at the present moment. Indeed, the resolution which we have before us is to this effect in so many words. Let me read again the paragraphs which were read by my right hon. friend, and which go to show that the money which is to be raised upon our credit is not at all for the discharge of past liabilities. Sections 4 and 5 read:

4. That covenants or undertakings to the satisfaction of the Governor in Council shall be given that all outstanding temporary loans to the Canadian Northern or any of its constituent or subsidiary companies secured by the deposit or pledge of securities, will be paid out of the proceeds of such deposited or pledged securities when the same shall be sold or disposed of, and that no proceedings against the Canadian Northern or any of said other companies will meanwhile be taken for the collection of such temporary loans.

5. That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said constituent and subsidiary companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount to be determined by the minister and that meanwhile all such current indebtedness other than such as may be the subject of bona fide dispute, will be either paid or arranged in such a manner that no proceedings for the enforcement of payment thereof will be taken or pressed.

Mark the difference between the language which I have just quoted and that of the statement which was given to the press. According to the press statement, security was to be given to the Government. Now, it is not security, but is simply a covenant which is given to the Government, that Messrs. Mackenzie and Mann, the Canadian Northern railway, the debtors whoever they be, shall not be pressed by their creditors. That is to say, they undertake to pay their creditors, or to have from them satisfactory arrangements that they will not be pressed; in other words, they will have an extension of time. I fail to understand the meaning of this resolution. If the debtors, those who owe this money, whoever they may be, whether the firm of Mackenzie and Mann or the Canadian Northern or any of the subsidiary companies, can make a covenant with the Government that their creditors shall not press them, they can make that agreement just as well with their creditors as with the Government. I do not understand how they can make it with the Government unless they make it also with their creditors; and, if they make it with their creditors, I do not see that there is any necessity of their making such an agreement with the Government. But be this as it may, this clearly is shown that the money to be raised by the sale of the securities is not to be used in paying off past liabilities.

This brings us, to the consideration of the reason why Parliament is asked to appropriate this sum of $45,000,000. At this juncture, I do not propose to go very deeply into the subject, but I intend to lay before Parliament in plain language the reasons why we on this side of the House think that these resolutions are absolutely unacceptable. If the object of the Government in asking for this credit of $45,000,000 is not that the company may discharge its present liabilities, if it is to continue to carry the load it has at the present time, and which it is unable to discharge, what is the reason why we are asked for this guarantee? The object is recited in the preamble to the resolution which is before the House:

Whereas the Canadian Northern Railway Company hereinafter called the 'Canadian Northern' has represented that the several companies set forth in the first schedule to these resolutions, and their railways and un-

dertakings, rolling stock, equipment, assets and properties are intended to constitute a transcontinental railway system to be denominated the 'Canadian Northern system' and that the Canadian Northern desires to control said system by the ownership or control of the shares of majorities thereof in the capital stock of the said companies, and that it now owns or controls the shares or majorities thereof in the capital stock of certain of the said companies, and that the several companies are desirous that aid should be granted for the purpose of completing the construction and equipment of the works and undertakings of the Canadian Northern system and for the betterment thereof.

So that, according to the language which I have just quoted, the main object of the Government in asking for this credit is to unite the different companies which at present are already under the ownership of Messrs. Mackenzie and Mann. If that be the object, it is not sufficient for asking us to appropriate $45,000,000; and, if that be not the object, then we must know that reason, I say that we should know the truth, the whole truth, and nothing but the truth. Moreover, that is not all. We are told that these companies are to be united in a transcontinental system, and with that object I agree; but I say that object is not carried out in these resolutions. In the system as it exists at the present time there are twenty-eight different companies. When this resolution has passed, and when the Act founded on it has received the sanction of the Governor General—if it receive it—there will still be twenty-eight different companies as there are at present. Why is this? My hon. friend told us a moment ago that the capital stock of twenty-seven of these companies is to go into company under Mackenzie and Mann. That may be the intention. I heard from my right hon. friend a moment ago that the capital stock was to be reduced to $100,000,000. I say that if that be the intention, it is not at all expressed in the resolution before the House. On the contrary, by the resolutions now before us the twenty-eight companies preserve their identity. The stock of twenty-seven companies goes into the hands of one company, it may be; but the twenty-eight different companies remain fully alive. Why is this? If you are going to give the stock of twenty-seven of the companies into the hands of one company, why not wipe them out altogether? I repeat that, if it is the intention to reduce the stock of these 28 different companies to $100,000,000, that intention is not expressed in this resolution, and the resolution will have to be amended accordingly. Let me call the attention of my right hon. friend to that point. I do not know who prepared the resolutions, but whoever did it did not carry out the intention of the Government as it has been announced to us by my right hon. friend this afternoon. Take the language of the resolution, which seems to have been prepared with care. It reads:

5 p.m.

In the following resolutions, unless the context otherwise requires:

'Canadian Northern' means the Canadian Northern Railway Company.

'Constituent companies' means such of those companies mentioned in the first schedule to the following resolutions, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as own or operate railways, terminals, bridges or other railway facilities.

'Subsidiary companies' means such of those companies mentioned in said schedule, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as do not own or operate railways, terminals, bridges or other railway facilities.

The distinction between constituent companies and subsidiary companies is very minute, and a definition perhaps, was not necessary to an understanding of what was meant. I call these companies subsidiary companies, whether constituent or subsidiary; they are practically the same. I would call the attention of my right hon. friend to section 12, which says:

That the capital stock of the Canadian Northern be fixed at the sum of one hundred million dollars subject to increase only by the Parliament of Canada.

What is the Canadian Northern? The Canadian Northern is not the Canadian Northern system; the Canadian Northern is one company to which the other companies are accessories, and its capital stock is fixed at $100,000,000. I say this $100,000,000 cannot include the capital stock of the subsidiary companies, because the terms are against it.

But that is not all. I take the contract, of which clause 12 says:

That the contractors Mackenzie and Mann will forthwith, upon the execution hereof, transfer or cause to be transferred to the trustee all the shares of capital stock of constituent and subsidiary companies mentioned in the first and second parts of the schedule hereto, and the said shares shall form part of the mortgaged premises comprised in the new trust deed. . . The absolute ownership of all the shares mentioned in the first part of the said schedule shall be vested in the Canadian Northern, subject only to the charge thereon created by and to the terms of the new trust deed;

And, therefore, if the capital stock of the subsidiary companies is to be transferred to

the Canadian Northern, they transfer something more than $100,000,000.

There is something else. By section 2, paragraph b, as security for the $45,000,000 we are advancing to Mackenzie and Mann, we receive a specific mortgage or charge upon the shares mentioned in the first part of the second schedule, that is to say, upon the stock of the subsidiary companies. If, therefore, we receive a mortgage upon the stock of the subsidiary companies, surely it cannot be contended that the stock of these subsidiary companies is wiped out. That is as plain as plain can be.

But there is something else. We receive also a mortgage upon this stock, but part of the stock of ten of these subsidiary companies is mortgaged to different creditors to the extent of $18,000,000. Are we to understand that you are wiping out the shares of these companies which are already secured for the protection of creditors who advanced money upon them? That is the situation in which we are; and therefore it is very important to know exactly where we are at.

If it was the intention of the Government to have a transcontinental system, why have they preserved the identity of these companies? Why not wipe out their stock altogether? And if you do, there is nothing left of them except the board of management. Therefore, I say to my right hon. friend that if that be the idea he had really in mind, this resolution will have to be amended very carefully. But that is a point for consideration later on.

There is another point, and it is that if it was the intention of the Government to wipe out the stock of all these companies and to assimilate them and make them one, I shall insist that that intention shall be carried out in deed, and that we shall have one company and not twenty-eight companies. And since it is stated that the stock is of these twenty-eight companies is wiped out. I will ask whoever follows me to explain why we keep the identity of these twenty-eight companies which are not to disappear, the mortgage powers of which still remain and which are still empowered to exercise all their powers, and this will lead to very ludicrous consequences. It is stipulated in section 18:

> That without limiting any power now possessed, it be enacted that any constituent company which is now or may hereafter be subject to the legislative authority of the Parliament of Canada, may, under the provision of the Railway Act, amalgamate with any other or others of the constituent companies which is now or may hereafter be subject to said legislative authority or, if not so subject, which now has or may hereafter have power to enter into such amalgamation.

Let us analyse what this means. It is stipulated that the stock, say, of the Canadian Northern Pacific Railway Company, is to be owned by the Canadian Northern Railway Company, which is practically Mackenzie and Mann. It is stipulated also that the stock of the Canadian Alberta Company is to be owned by the same parties, and therefore you provide that Messrs. Mackenzie and Mann, representing the Canadian Northern Pacific Company, can negotiate for amalgamation with Messrs. Mackenzie and Mann, representing the Canadian Northern Alberta Company. If you have the power to amalgamate, why not amalgamate now, and make it clear once and for all? I confess I do not understand what is meant by so much confusion thrown into this agreement. If you want to have a transcontinental railway, as you say, why not enact so when you have the power?

But there is something more serious. For this charge of $45,000,000 which we are asked to vote to the Canadian Northern Railway Company, what security do we get? I submit with all confidence that the mortgage which we get as security is altogether illusory. Is my language too strong? Let me analyse what it means. Here is what we get as security for the $45,000,000 which we are asked to vote to that company: First, as the resolution reads, a grant of the first fixed specific mortgage or charge upon the shares, mentioned in the first part, of the subsidiary companies. We are now told that we are going to get a grant of a mortgage upon the stock and shares of the subsidiary companies; and yet we were told a moment ago that all the stock is wiped out. There is $81,000,000 of stock in these companies, and we are told it is altogether wiped out; therefore what becomes of our mortgage upon that stock? I shall be glad to be told what this means; but for my part I say it is absolutely illusory. Even if there were something left, even if the stock were not wiped out, what value would it have in the market to-day? It is of course impossible to speculate as to that. But I do know that while the stock pledged in this part of the agreement is to-day nominally worth $81,000,000, there is, what is not nominal, an indebtedness of $18,000,000 upon it. That is the true situation.

What do we get next? We get a specific

and floating mortgage or charge on the undertaking of the Canadian Northern and its properties, assets, rents and revenues, and its rights, powers, and franchises, present and future. That would seem to be a mortgage upon the undertaking, upon the roadbed and upon the revenue, and that is worth a good deal, I admit. But we must not forget that against that same property there is a mortgage to-day of $312,000,000. Does any one on the other side of the House believe that a mortgage upon the top of that mortgage for $312,000,000 is worth a great deal to Canada? Why, if we undertook to execute our rights under that mortgage we ourselves would simply have to provide for the payment of this $312,000,000. That is the consequence of the mortgage we are taking now, and it is the clearest part of it.

I have been told: Oh, but you yourselves advanced money to this enterprise. So we did, but in every case we took a first mortgage. When we advanced in 1903 a certain amount per mile for the railway from Manitoba to Edmonton, we took a first mortgage upon that part of the road, and that mortgage is secure; it is as good as gold. When in 1908 we gave a further advance for another part of the road, we took also a first mortgage upon that part of the road which was to be created by our bounty, and we took a second mortgage upon this enterprise also. When in 1911 we gave a guarantee of bonds to the extent of $35,000 a mile to the enterprise from Port Arthur to Montreal, we took a first mortgage on that part of the road, and we also took a second mortgage on the whole of the enterprise. I venture to assert that even that second mortgage is perfectly satisfactory, though not so sure as the other one. According to this resolution, we have a general mortgage upon this enterprise, but we have not a similar mortgage upon the properties of the subsidiary companies. Somebody perhaps may say that I am wrong in this—that we have a mortgage for this $45,000,000 upon the properties of the subsidiary companies. I say no. We have a mortgage on the properties of the Canadian Northern Railway Company; we have not a mortgage upon the properties of the twenty-eight subsidiary companies. I assert this without any hesitation.

There is also in clause 11 a very extraordinary provision, namely, that, of this $45,000,000 which we are to raise upon our credit, that portion which goes into any one of these subsidiary enterprises for instance, the Canadian Northern Alberta Railway Company, the Canadian Northern Manitoba Railway Company, the Canadian Northern Saskatchewan Railway Company, or the Canadian Northern Ontario Railway Company—is to be secured, not upon the whole of the enterprise, but upon that particular part of the enterprise. I do not understand the reason of this provision, but it is in the resolution.

We have been told in the preamble to this resolution that the object is to create a transcontinental railway, and that we are making an advance of $45,000,000 for this enterprise. If we are to do so, it seems to me to stand to reason that we should obtain a mortgage on the whole of the enterprise, and not simply on a part of it. We should obtain a guarantee upon the properties, not only of the Canadian Northern, but of the Canadian Northern Pacific, the Canadian Northern Alberta, the Canadian Northern Saskatchewan—of all the twenty-eight subsidiary companies that we are to amalgamate. Instead of having this guarantee upon the properties of these twenty-eight companies, we have a mortgage upon the properties of one of them, and the other twenty-seven will give separate mortgages for the part of the $45,000,000 which goes into their own territory. If this is an amalgamation, if this is the way in which you can have a transcontinental railway, I think it is a novel method. It is a method which is not conducive to the object you have in view. Therefore one of the reasons why I object to this resolution is that although it purports to constitute a transcontinental railway, it does nothing of the kind.

My right hon. friend said, and I altogether agree with him, that we cannot allow this enterprise to fail. We have too much money in it—not only the money of the country, but of the provinces and of the bond-holders themselves. It is therefore necessary that we should assist this enterprise; but the provisions made to carry it to completion are altogether deficient. If you want to have this enterprise as a transcontinental railway from ocean to ocean, in course of time, at least from the Pacific ocean to the St. Lawrence, why is the method of carying out that project covered with these blemishes? Why did you not bring forward a project which would at once have made all these companies into one, and then deal with the project?

There are other serious considerations in this matter. We have been told that we are to have $40,000,000 of the stock of the

company. What is to be the total stock of the company? My right hon. friend has presented a view which is new to me, and which I cannot understand in the face of the resolution. To-day there is against these twenty-eight companies a stock issue of $158,000,000. Of this, $77,000,000 is the stock issue of the Canadian Northern, leaving $81,000,000 as the stock issue of the subsidiary companies. We are told that this stock issue of the subsidiary companies is to be wiped out. I cannot read that in the resolution; but if this stock issue is to be wiped out, which is something to which I would not object, what are you going to do as regards the $18,000,000 for which that stock is pledged? I desire an explanation of that. So far as I understand the matter, however, the stock of the subsidiary companies is to be wiped out, and the stock of the Canadian Northern railway is to be fixed at $100,000,000. The stock of the Canadian Northern to-day is $77,000,000, and it is proposed that it shall be increased by $23,000,000. The reason this is done, as has been explained by my right hon. friend, is to compensate Messrs. Mackenzie and Mann for the relinquishment which they make of the stock of the subsidiary companies. Let us read this section once more, because here is another mystery which I cannot fathom:

> The Canadian Northern covenants with the contractors that in consideration of the transfer of the shares of the capital stock mentioned in clause (a) of paragraph 2, hereof, it will by proper corporate action cause to be alloted to the contractors or their nominees fully paid and non-assessable shares of the capital stock of the Canadian Northern of the par valve of twenty-three million dollars being the difference between the present issued share capital of the Canadian Northern and the amount to which its capital is increased by the statute.

This is to compensate Messrs. Mackenzie and Mann for their generosity in relinquishing to the trustee the stock of the subsidiary companies. But, according to the first part of the contract, section 2, Messrs. Mackenzie and Mann have stipulated that the stock of the subsidiary companies shall be transferred to the trustee, for what? Simply for the purpose of giving a mortgage upon it. Then the section goes on to stipulate the absolute ownership of the Canadian Northern shares, as follows:

> That the shares mentioned in the first part of the schedule shall be vested in the Canadian Northern, subject only to the charge thereon created by and to the terms of the new trust deed.

[Sir Wilfrid Laurier.]

Therefore Messrs. Mackenzie and Mann have given nothing at all, except that they have transferred this stock to the trustee for the purpose of giving a mortgage upon it; but they give nothing more to the trustee than the power to give a mortgage, and they keep the stock in their own hands. That requires more explanation than we have received in the speech of my right hon. friend. Suppose that the stock is to be reduced to $100,000,000—and we shall have more to say as to that later on—Messrs. Mackenzie and Mann receive $23,000,000 of stock, the Canadian Northern receives $77,000,000, and the Canadian Government receives $40,000,000, so that out of the $100,000,000 of stock we receive 40 per cent. Is this a sufficient consideration for the bounty which Mackenzie and Mann are now asking the Government to give them?

I would not care very much to bargain and haggle upon this point, but there is a consideration which is paramount, since the Canadian Northern have asked the assistance of the Government at the present time, after telling the Prime Minister and the Minister of Finance last year that, after the assistance they then received, they would not come to Parliament again. Then, I think we have the right to ask that we should obtain at least a controlling interest in the stock of the Canadian Northern railway. My right hon. friend says that he has covenanted and agreed for the possible contingency that this company may make default. I say that not only should we provide for the contingency of possible default by covenant and agreement, but we should have the majority of the stock so that we could control the company. My right hon. friend says that we are to go into partnership with Messrs. Mackenzie and Mann and the Canadian Northern railway. These are the very words of the Prime Minister. That being so, is it unreasonable to ask that in that partnership we should be the leading and not the junior partner?

Now, what is to-day the financial position of the company we are asked to assist? It is a matter for very serious consideration and one that should make us hesitate before we agree to the resolution before the House. I do not pretend to be a master of figures, but there are matters of ordinary business which even one who is not a master of figures may hope to understand. We have had these figures before us for two

days, and I have looked carefully into them, and I will state the financial position of the company as I understand it to be. I speak subject to correction, and if my figures are wrong my right hon. friend will tell me.

The statement brought before us shows that to finish the road the sum of $100,379,000 is required. I think that as to that there is no dispute. It is also shown in the documents before us that the liability of the company to banks is not $14,000,000 as stated in the press but $20,703,865. It is also stated in another official document that the floating liabilities of the company are $10,408,000. These items make a total liability of $131,490,865.

As against this there are securities of the Canadian Northern railway of $58,470,000 including, as stated by my right hon. friend, bonds of the Canadian Northern Pacific, the Canadian Northern and the Canadian Northern Ontario railway. I assume that as these are all guaranteed by the different provinces they are worth par. But what of the bonds of the Canadian Northern Terminal Company? There is no statement as to these that they are guaranteed by anybody. It may be that they are cash in the hands of trustees. If so, they must be counted at par. The proceeds of these are given at $5,959,000. Then there are the rolling stock 4½ per cent equipment bonds of $16,000,000. These, so far as I know, are not guaranteed by anybody, and so I do not know that they are worth what is stated here. As to these items there may be some difference of opinion as to their value, but I assume for the present that they are worth one hundred cents on the dollar, and so I assume the correctness of the total I have just stated—$58,470,000. Deducting this amount from the liability of $131,490,000, we have a balance of $73,000,000 in round figures. There are other securities pledged to the banks for temporary loans amounting to $24,703,865. These are set down at different figures—the Canadian Northern Ontario at 75½, another at 84, another at 80, another at 95, another at 93. We do not know the exact value of these but the figures show them to represent $20,703,865 to be set against the total liability. This leaves $49,000,000 in round numbers of the liability unprovided for so far as the company is concerned.

Mr. MEIGHEN: Will the right hon. gentleman please let me know where he finds his $20,000,000 owing to the banks?

Sir WILFRID LAURIER: Here it is—in schedule B. Now, against this unprovided balance of $49,000,000, we have this proposed loan of $45,000,000. How much will it realize? If it realizes $42,000,000 it will be a very satisfactory return. Thus we have a liability of $49,000,000 for which it is proposed to provide $42,000,000, leaving $7,000,000 absolutely unprovided for and for which this same company must come back next session for further aid. I do not think these figures can be disputed; they are the figures of the documents before us. As to the loans from the banks, I know that it was stated in the press at $14,000,000 but the official statement shows it to be upwards of $20,000,000. Now, this is the security we have, and as I said a moment ago, in my humble judgment, this security is absolutely illusory. We take a mortgage on property that is already fully covered, and consequently the security we have is of no value, but binds us, if we wish to collect, to the payment of all the other securities. With regard to the disposition of the moneys which are to be realized upon this $45,000,000, clause 6 of the agreement says:

> That the kind of securities to be guaranteed hereunder, and the forms thereof, and the forms and terms of the new trust deed, and the times and manner of the issue of the guaranteed securities, and the disposition of the moneys to be raised thereon by sale, pledge or otherwise, and the forms and manner of guarantee or guarantees shall be such as the Governor in Council approves, and such terms, provisions and conditions as the Governor in Council may consider expedient or necessary shall be included in the new trust deed.

While I have believed and still believe that this provision is absolutely insufficient, in view of the statement of the Prime Minister that the moneys will be left in the hands of trustees, only to be applied as the work progresses, I shall not insist upon my objection. But another objection I have to make to this agreement, one that is, perhaps, of a more serious nature, is with regard to the provisions respecting tolls and interchange of traffic. My hon. friend, seeing the weakness of his position in that respect, stated that he had made provision to place all these companies under the jurisdiction of the Parliament of Canada. So far, so good; all the companies which are coming under this agreement shall remain separate entities, as they are at the present time, and shall, under this resolution, come under the jurisdiction of the Parliament of Canada and of the Railway Commission so far as tolls are concerned. But I am sure that there is an objection with regard to

British Columbia. What does the agreement say in that respect? I call the attention of the House to section 6, clause (b), of the third schedule of the agreement, which is as follows:

That they and each and every of them—

That is, the subsidiary companies.

—will from time to time enter into agreements with the Government for the mutual interchange of traffic between the Canadian Northern and the Constituent Companies or any of them, with the Government railways, and the terms and conditions of every such agreement shall be such as the parties thereto may agree upon or in default of agreement, as may be settled by the Board of Railway Commissioners for Canada (hereinafter called the 'Railway Board'), and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same, provided always that every agreement respecting the interchange of traffic shall be subject to any agreements now existing with any other company or companies.

This matter was discussed in the House before, and it was pointed out that one of the companies here mentioned, the Canadian Northern Pacific, had an agreement with the Government of British Columbia whereby the control of the tolls was expressly taken away from the Government of Canada and placed under the jurisdiction of the Government of British Columbia. When two years ago the Government succeeded in putting through the House a measure giving a subsidy to that branch of the road, we on this side contended that this road should not be subsidized or assisted because the company was under the control of the province of British Columbia, not only in respect of traffic originating in British Columbia, but in respect of traffic going into that province. The part of the contract with the province of British Columbia to which I allude is as follows:

In consideration of the guarantee of the securities hereunder, the Northern Company covenants that the Pacific Company will agree that the Lieutenant Governor in Council, may from time to time, having due regard in so doing to the position and interests of the Pacific Company, and in the case of traffic destined to or originating in the other provinces of Canada, bearing also in mind the desirability of obtaining reasonable rates from points in the province of British Columbia to points in the other provinces or vice versa, modify any rates established by the Pacific Company for the carriage of freight and passengers to and from all points on the said aided lines within the province of British Columbia, provided always, that before any rates are so modified, the Pacific Company shall be heard and its interests taken into consideration as aforesaid; provided further, that if the Pacific Company shall at any time be dissatisfied with any rates so modified by the Lieutenant Governor in Council, it shall have the right to appeal from the order modifying any such rates, to the Supreme Court of British Columbia. Any such appeal shall be heard before the chief justice and one of the justices, or before two of the justices of such court (thereafter referred to as the Appellate Tribunal) who, upon any notice of appeal being given, shall be nominated by the Lieutenant Governor in Council to hear and determine such appeal. The Appellate Tribunal, in the event of any such appeal, shall have authority, and it shall be its duty, to inquire into the whole matter, with power to call and examine on oath or otherwise such witness as either party may desire, to examine into, or cause to be examined into, all books, vouchers or accounts of the company, to call in the assistance of such experts, and generally to make such investigations as it may be deemed desirable to enable it to determine the matters involved in such appeal, and thereupon it may either confirm, modify, disallow, or revise such rates so appealed against. Any rates so modified or determined by the order of the Lieutenant Governor in Council, in conformity with the provisions of this section, shall, except as modified on such appeal, be rates which the Pacific Company will be entitled to enforce in respect of the services covered by such rates. The Canadian Northern railway undertakes that it will not and that the Pacific Company will agree that it will not bring or promote any appeal to the Railway Commission of Canada from any order made under and pursuant to the provisions of this section, and in the event of any such appeal being brought by others, that the Northern Company and the Pacific Company, will represent to the commission on such appeal, that it is satisfied with the rates the subject of such appeal, in so far as they are or have been established within the provisions of this section.

This agreement is standing to-day. It is very true that if this resolution passes into law the Railway Commission shall have jurisdiction over the rates in British Columbia, but subject to the provisions of the agreements. Why is this?

Mr. MEIGHEN: Under what clause?

Sir WILFRID LAURIER: Under this clause:

That they and each and every of them will from time to time enter into agreements with the Government for the mutual interchange of traffic between the Canadian Northern and the constituent companies or any of them, with the Government railways, and the terms and conditions of every such agreement shall be such as the parties thereto may agree upon or in default of agreement, as may be settled by the Board of Railway Commissioners for Canada (hereinafter called the 'Railway Board'), and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same provided always that every agreement respecting the interchange of traffic shall be subject to any agreements now existing with any other company or companies.

Mr. MEIGHEN: Will the right hon. gentleman tell me what that clause has to do with the control of rates ?

Sir WILFRID LAURIER: It has this to do with it: Each one of these companies is preserving its identity; therefore under this resolution they can arrange their rates as independent companies for the interchange of traffic. Each of these companies has its own rights, and these rights cannot be interfered with except by agreement; therefore every arrangement regarding interchange of traffic made between them must be subject to the existing agreement between the province of British Columbia and the Canadian Northern Pacific. Does my hon. friend pretend to say that if the legislation based upon this resolution becomes law I cannot send a car of freight from Montreal to British Columbia without its being liable to be detained at the British Columbia boundary line and being made subject to additional tolls by the Canadian Northern Pacific Railway Company? If we had only one company, then the question of interchange of traffic would not arise, but, as it stated specifically here, we have all these companies, each preserving its own identity, and the Canadian Northern Pacific Company has the right to make its own tariff under its agreement, and that agreement is preserved and not subject to the supervision of the Railway Board. If that is not the effect of this contract, there is time yet to change it. Does my right hon. friend intend to alter this disposition ?

Mr. BORDEN: Would my hon. friend answer me a question in order that I may understand his contention. Does he contend that a provincial railroad can enter into such a contract as to oust the jurisdiction of the Parliament of Canada and of the Board of Railway Commissioners in case the road afterwards is declared to be for the general advantage of Canada?

Sir WILFRID LAURIER: No, sir, I do not contend anything of the kind.

Mr. BORDEN: That is the whole question.

Sir WILFRID LAURIER: But I contend that when the Parliament of Canada, at the instigation of my right hon. friend, says that the Railway Commission shall have jurisdiction, but subject only to an existing agreement, my right hon. friend has ousted the jurisdiction of the Railway Commission. I contend, on the contrary, that the Railway Commission has full jurisdiction, because my right hon. friend very wisely provided that the Canadian Northern Pacific railway shall come under the jurisdiction of Canada, by being declared a work for the general advantage of Canada. But whilst my right hon. friend has claimed that we have jurisdiction over that railway through the Railway Commission, at the same time the agreement says: 'Subject, however, to the agreement which has been made by the Canadian Northern Pacific Railway Company.' Sir, this company never should have received a dollar of subsidy from this Government. We took that position two years ago; but the Prime Minister had the weakness to agree to a stipulation that would not permit even an appeal to be taken to the Railway Commission of Canada. To-day, whilst we give this bounty to this enterprise, and claim jurisdiction for the Railway Commission over the railway, we are very careful to say to the commission that we will exercise that jurisdiction only subject to the agreement which exists in reference to the Canadian Northern Pacific Company.

These are some of the objections which I have to urge. I said at the beginning that I had not the intention of going deeply into the subject; but I said that I would not fail to show the salient objections that we had to this agreement. Let me recapitulate. The first objection we have to this agreement is that although it purports to be a unification of the Canadian Northern system, it is no such unification—that the twenty-eight companies are still in existence, and will continue as they are to-day. The next point is that the guarantees that we have are absolutely illusory, that the mortgage which we receive is absolutely insufficient.

I said a moment ago, and I repeat, that this enterprise must go on. It has been conceived for the benefit of the Canadian people. We require this railway. My right hon. friend said he would not let it go into liquidation. It must not go into liquidation, but we should have the control of it. Since we must go into partnership with the Canadian Northern railway, let us see that we are the master, not the servant. Let the agreement be modified; let the resolutions be modified. But, sir, as they stand at the present time, they are not conceived for the benefit of the Canadian people; they are conceived altogether for the benefit of the firm of Mackenzie and Mann and of the Canadian Northern Railway Company. Sir, we have no objection to helping them. We have helped them in the past. I for my part have been an admirer of their energy and enterprise. I have not much in common with them; I cannot claim them as friends;

but I admire energy, enterprise and pluck wherever it is found. At the same time, there is this consideration to be borne in mind by the Prime Minister, that there are interests which are transcendent, and the primary of those transcendent interests is that of the country. I have to repeat that the interest of the country is not served by the present resolutions, and as they stand it will become the duty of the Opposition to oppose them from first to last.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Hon. ARTHUR MEIGHEN (Solicitor General): Mr. Speaker, it is one of many interesting features of the character of the right hon. the leader of the Opposition that one is never able to predicate with any certainty the position he will assume, and assume for his party, on any public question. Very little assistance can be gained by a review of his past attitude on similar questions, and usually very little assistance can be gained by a study of the advance notices offered by his followers in particular instances. In the case at present under review, we find that even the Toronto Globe is a very unsafe guide in prophesying the position of the Liberal leader. We had been led to expect by the thunder and fire we have heard and seen from the city of Toronto in the last two weeks—yes, in the last two months and a half—that the Liberal party was ready to set its face unalterably against any assistance to Mackenzie and Mann; that it was going to stand between the people of Canada and the dissipating of their resources. We have heard it said that the Government of the day had sold out the people of this country, and that there was to be no sham fight. Even before the proposals of the Government were known, the position of the Liberal party in this country, in antagonism to those proposals, was flourished throughout the world by a section of the Liberal press. However, when the day of battle comes, we find the Liberal leader not setting his face against assistance to the Canadian Northern, but taking exception to certain details of the Government's proposals, and admitting, after he takes all his exceptions, that he does not understand the proposals at all. I am disposed to agree with the Liberal leader in that latter statement. I am also disposed to congratulate him on having shown himself on this occasion the leader of his party, and that he has not allowed the petulant malice of a Toronto editor to stampede and dragoon him into a wild and unreasoning opposition.

I said that the Liberal leader had admitted that he did not understand the resolutions now before the House. At the same time—as he finished his speech, and indeed at various times throughout his remarks—he emphasized that he was unalterably opposed to these resolutions, and that he was going to oppose them from beginning to end. If I might offer a word of advice it would be this: that the attitude of a party, as of an individual, toward any proposal had better be reserved until that party or individual thoroughly understands what the proposal is. I am free to admit that the resolutions before the House are not of the simplest imaginable character. The situation that presented itself for solution was not a simple situation; it was an exceedingly complicated and difficult situation, and it was found that the interests of the country could only be preserved by an arrangement that necessarily involved very many and very difficult intricacies. However, I believe—and I am more firmly convinced after listening to the right hon. leader of the Opposition—that the Government's proposals have in the end been reduced to as simple, compact, and thoroughgoing a form as it was possible to reduce them to.

The right hon. gentleman opened his speech with the statement that the alternative that presented itself to the Government of allowing the road to go into liquidation was an unthinkable alternative. Consequently, I need not address myself to a consideration of that alternative at all. The alternative, if it presented itself at all, of permitting the road to go into liquidation was unthinkable. The time for contemplation of that point has gone by. Likewise the hour for considering whether or not we shall go ahead with a third transcontinental system in this country has also gone by. That question is now properly eliminated from discussion. The seal of this country was put upon the third transcontinental system, indelibly and irrevocably, in 1911 by the late Liberal Government. The sanction of Canada was given by the Government headed by the present leader of the Opposition when he guaranteed the bonds of the great connecting link between Montreal and Port Arthur to the extent of $35,000,000. Whatever may be the merits of the question as to whether a third transcontinental system was necessary in Canada, those merits cannot now logically be taken under

review at all. The hour for discussion has gone by, and once the seal and endorsement of this country was affixed to those thirty-five millions of bonds for the connecting link, we were committed, and committed irrevocably, to the third transcontinental system. It may, however, be worth while to reflect at the present time that when that responsibility was assumed by the Government of the day in May, 1911, the question was brought before that Government in words of warning and in words of weight by the present Prime Minister as to whether or not the Government had assured themselves on sufficient information and data that it was advisable to encourage by the sanction of this country the completion of a third transcontinental system; I would respectfully refer hon. gentlemen on both sides of the House to the words of the leader of the Opposition of that day, the present Prime Minister, when he warned the Government that a very serious responsibility was being lightly undertaken—that even then the traffic over the one transcontinental was not sufficient to occupy more than about one-fifth of its capacity, and when he declared that it might well be that we were taking a false step in affixing the seal and endorsement of this country to that great issue of bonds. However, the time for meditation and reflection on that phase of the question has gone by. The country is committed to it whether it be a success or a failure, and we are bound in justice to its bond-holders, but far more so in justice to the people of this country, to see that transcontinental railway to completion. It is only just to say that in the conflict that may take place between the three rivals for the transcontinental traffic of this country, there are very important advantages that will accrue to the Canadian Northern in the contest; and there is every reason now to say that in the struggle that will ensue the Canadian Northern railway will not be the unfittest to survive. Many and great are its advantages over the Canadian Pacific railway itself, in some respects, and more and greater still are its advantages over the Transcontinental railway as constructed by the late Government.

What, then, is the position of the Liberal party at the present time? The leader of the Opposition says: We are committed to it; failure or collapse is an unspeakable alternative. But, he says: I do not favour the present proposal, because the company does not come to us admitting that it is unable to pay its debts and that failure or collapse is the alternative if we do not come to its assistance. Why, he says: there are some ten and a half million dollars of floating liabilities and the men who own the stock of the Canadian Northern come forward and agree in the terms of this Bill to themselves provide for the excess of these floating liabilities over the normal figure without recourse to the current securities, and that, he interprets as an admission that the company are not in extremis at all, but are quite able to take care of their own liabilities at the present time.

A word in the first place as to the general principle there laid down by the leader of the Opposition, and then I will have a word to say as to the premises on which he bases it. 'If' he says, 'it appears to me that this company cannot get along without assistance I would do again as I did in 1911 and I would loan them the money to see them through.' In other words, if it appears to the leader of the Opposition that the Canadian Northern Railway Company were not at the present time able to carry on their enterprises without assistance, he would lend them the money out of the treasury of the country and he would take no compensation in return. On what security would he lend them the money? He says, our present security is illusory. Can he name anything possessed by the Canadian Northern or by the other companies that we do not take security on? Then, if it appeared to the leader of the Opposition that this company were in extremis and bound to ask for aid or default, he would lend the money, give them $45,000,000 on the same security we have taken or on less security, and he would undertake that liability and perform that service and take back not one dollar's worth of compensation from the company. There stands the Liberal party.

If I can convince the leader of the Opposition that the company does require this money and cannot succeed without it, then doubtless we will have the support of the Liberal party in this House and we will have the emphatic support of the leader of the Opposition, especially when he reflects that we are not guaranteeing the bonds for nothing but that we are getting two-fifths stock in the enterprise as a compensation therefor. The floating liability it is true, in so far as it exceeds at the present time the normal figure, must be taken care of aside from the guaranteed securities and their proceeds, within one year. It must be reduced to the normal figure within that time and in the meantime they must be pro-

tected against action. But what does that mean? It means that Mackenzie, Mann and Company, Limited, the contractors, under subsection (b) of section 4 of the Bill, are bound themselves to see to it that the floating or current liability of the Canadian Northern is reduced within one year to three million dollars, or to such normal amount as the Government may decide to be correct, and that that must be done without recourse to the proceeds of the guaranteed security.

It will be asked, if they are able to do that, then what other liability is it they are not able to take care of? As the hon. gentleman knows, at the present time there stands on the construction account of the Canadian Northern a further liability, owing at the date of the audit, amounting to $21,262,000, entirely aside from the current indebtedness. This $21,262,000 has already been spent on construction, and is planted in the road to-day, and the Canadian Northern Railway Company owes that indebtedness to the men who did their work and supplied the material, and that indebtedness they are not in a position to meet. Why, says the leader of the Opposition, the temporary loans are taken care of. Very true. Twenty million dollars of temporary loans are protected at the present time by some twenty-four million dollars of securities, and it is provided by the Bill that satisfactory covenants must be given that these securities, and these alone, will be resorted to in order to satisfy the loans they have advanced. That takes care of temporary loans and floating liabilities, which must be taken care of, but what about the $21,262,000 that is owing on construction account? Would the right hon. gentleman tell me now how he would have that provided for by the Canadian Northern Railway Company? We have thrown everything on the table; he has access to every one of their assets, and to all their available securities, and he cannot point where the Canadian Northern Railway Company can go and discharge that liability of $21,262,000. The financial stringency that has overrun the world, as well as the increased cost of construction, has brought about such conditions that the Canadian Northern Railway Company at the present time faces a situation that it is not able to surmount without the assistance of this Government.

While I am at that point, it may be asked: How are Mackenzie, Mann and Company, Limited, going to reduce this sum of floating indebtedness to the normal figure? My information, and the result of the investigation is this: that the Canadian Northern Railway Company has been under the necessity of providing out of its current revenues large sums in payment of instalments due on what is called 'equipment trust', and as a consequence the regular current indebtedness of the Canadian Northern has swollen away beyond the normal figure. The payments on equipment trust are payments made on the purchase of equipment. These payments are logically and correctly chargeable to capital, but the company was under the necessity of meeting them when they fell due and they met them out of current revenue. When that necessity is removed, as it will be removed by the present financial arrangement, then the company will be in a position to declare that they are quite capable of taking care of this excess of floating indebtedness over the normal figure, and to reduce it within a reasonable time to the normal figure.

As to temporary loans, very little need be said. It will be clear to all that with the rehabilitation of their credit that naturally results from the present arrangement, the securities that are pledged against these current loans will be amply sufficient and much more in all probability to take care of all liability thereon.

But the fact remains that the system at present stands in a position where it cannot, in the nature of things, be made a paying investment, be made to turn the way of success and away from the road to failure, unless funds are provided to take care of the completion of that road. What does it consist of: The Canadian Northern Pacific, the western lines between Port Arthur and the coast; a portion of the Canadian Northern Ontario uncompleted between Montreal and Port Arthur; other portions uncompleted in the province of Quebec; other large portions uncompleted in British Columbia which ought to, when completed, bring the road into contact with our western harbours. So long as it remains in the present condition it will not appeal to any business man that the road could possibly be a success as a road, but must proceed on the down grade and not on the highway to success. Consequently the road is in danger of failure at the present time. The situation is such that, through no fault of its own, so far as we are aware, the Canadian Northern

Railway Company is brought face to face with a situation where an arm stronger than its own must be extended, and where the assistance of the Government must come to it, or the Canadian Northern railway cannot be anything but a failure. That being the case, the right hon. the leader of the Opposition is bound to reverse his party position and come to the assistance of the Government and help to put through these resolutions which provide for the guarantee, that he would give for nothing, being given in return for a two-fifths proprietorship of the road.

A further objection taken by the leader of the Opposition is that we have not reduced the capitalization. After all, he says, we have only pretended to reduce the capitalization. That is what I understand to be the point he makes. Under the plan that the leader of the Opposition would follow, he would not make even a pretence. If he believed that the road needed the money and had to have it, he would lend it just as he did in 1911, and he would not even go through the formality of reducing the capitalization at all. But we have reduced the capitalization; and I think I shall be able to convince him on this point, that he was quite correct when he made the statement that he did not understand the resolutions. What do the resolutions say? They say that, before any guarantee is given, all these allied companies must have their various stocks passed to the trustee as security, the beneficial interest subject to that mortgage being in the Canadian Northern road; that is to say, the Canadian Northern road must become the absolute owners, subject to this mortgage which protects the Government, of all the stock of the eighteen companies at present owned by Mackenzie and Mann. There are eleven other companies at present owned by the Canadian Northern itself, their stocks and bonds being already pledged to secure the perpetual debentures issue of 1903; but 18 companies have almost their total stock issue clear in the name of Mackenzie and Mann, Limited. These companies have to put their stock in the Canadian Northern, impressing it first with a charge for the protection of this guarantee. My right hon. friend says: You put those stocks in, you put $25,000,000 of the stock of the Canadian Northern Ontario; you put in twenty-five millions dollars of the stock of the Canadian Northern Pacific; you put the stock of the Central Ontario; you put the stock of the Canadian Northern Quebec; you put the stock, six millions dollars or almost that, of the Quebec and lake St. John and after you have put them all into the Canadian Northern, those stocks still exist. It is quite true that they do exist. No one says that these stocks are burned or wiped out. They exist, but none the less the capitalization is reduced to the capital of the company that owns these stocks and all the assets of these companies.

Sir WILFRID LAURIER: Oh, oh.

Mr. MEIGHEN: The right hon. gentleman laughs. What is the purpose of a reduction of capitalization? How is the public interested in that reduction? Because, if a public utility is over capitalized and the stock gets into the hands of the public, that is a lever in the hands of the public giving them a right to a revenue on that stock and consequently a lever for the upkeep of freight rates; but if you take that stock and keep it out of the hands of the public, put it where it never can possibly get into the hands of the public, and make it owned by the Canadian Northern railway, whose capitalization is reduced to $100,000,000, how possibly can you have any further evil result from over-capitalization? You have done everything that possibly can be done to prevent every ill that ever comes from over-capitalization. The companies still exist in any case; but the stock belongs to the Canadian Northern railway; all the profits of those companies go to the Canadian Northern railway, and the Canadian Northern railway is capitalized at $100,000,000 and no more. Consequently $100,000,000 and no more is the stock which has any right to earn dividends. That must be clear to my right hon. friend, and I feel quite certain that he understands it just as well as I do. The capitalization, in so far as it is a lever or can be used as an argument to affect freight rates or to affect the public in any way whatever, is reduced to $100,000,000. And we are the guardians of the public and of no one else.

Then my right hon. friend says: Why, that only applies anyway to the eighteen companies that Mackenzie and Mann own clear. They own the stock of those companies clear, each company of course being subject to its bonded indebtedness. But, he says, there are some other properties of which they do not own the stock, and the stock of which is already pledged. That is true. We get a first mortgage on the stocks that come into the Canadian Northern, in so far as they come in clear. In so far as the eighteen companies are con-

possibly be a success as a road, but must Mann, Limited, our mortgage comes upon the stock of these companies direct, a mortgage physically fixed on the stock of these eighteen companies. That is one constituent of the mortgage premises. That constitutes a real mortgage and forms the first constituent of the mortgage premises.

What comes next? The equity of the Canadian Northern railway in the eleven companies, the bonds and stock both, are already brought under the trust deed of 1903. In 1903, the bonds of the Canadian Northern Express Company, $3,000,000, the bonds of the Winnipeg Land Company and the stock of both companies, the bonds and stock of the Lake Superior Terminals, the bonds and stock of the Canadian Northern System Terminals, owning their terminals from shore to shore, all became at the time the bonds of the Canadian Northern, and were put in along with the Canadian Northern assets as security for the 4 per cent perpetual bond issue of 1903. Consequently the Canadian Northern own all these companies, both the bonded indebtedness and the stock issues, subject only to the charge created by that trust deed or mortgage of 1903. They hold the equity of redemption therein, and a large equity it is. We have taken care, in these resolutions and in the Bill which will follow it, to take that equity and place it as constituent No. 2 under the mortgage which we take to secure this guarantee. Was it not worth while taking it? In that way we take everything these companies have and, we place it under our mortgage as our security against our guarantee. Who is there who can suggest anything more that we can do? Would the hon. gentleman have us legislate the bonds out of existence in order that we could get a first charge? Would he legislate the priority out of existence for the benefit of the people of this country? Would he have confiscatory legislation? We have done everything we can to get the mortgage right down on all the assets left of all the companies that are there. Those assets are tremendous assets.

Furthermore, we take a physical mortgage on the Canadian Northern properties themselves. The Canadian Northern railway, operating the main line and all the branches between Port Arthur and Edmonton, about 5,350 miles, is able to give a mortgage on those assets alone. It cannot give a mortgage on the assets of other companies; it can give a mortgage on them only to the extent and in the form in which those assets come to it. But on its own physical road between Port Arthur, and Edmonton, the Canadian Northern gives a mortgage direct to the trustee for the protection of the guarantee of this country. Now, the hon. gentleman says: Oh, this mortgage is entirely illusory mortgage, because he says, there is indebtedness ahead of it. And in that he has the wonderful consolation of having the imprimatur of the hon. member for Carleton, N.B. (Mr. Carvell), who says 'hear, hear' to the statement that 'the mortgage is entirely illusory.' Let me draw his attention to a number of these securities—and I know he is listening, though he affects not to be. The Canadian Northern railway itself has a road between Port Arthur and Edmonton which, with branches represents about 5,350 miles of railway. It owns its terminals and various other assets there; it owns its lands. Now, that road is already mortgaged, it is true; it has several bond issues against it. But it is the most valuable portion of the whole Canadian Northern system that is to be; it is the portion that has been paying and paying well, it is the portion that serves, if not the best, almost the best parts of the whole northwest country.

That is the portion which above all things must be preserved; it is the valuable asset of the Canadian Northern railway. Now, as I have said, that road is bonded already. But I ask the right hon. gentleman if he would not, dollar for dollar and mile for mile, rather have a mortgage on that road than on the Canadian Northern Ontario running through a wilderness which has no local traffic, or very little? I ask the right hon. gentleman again, which is the better security—the Canadian Northern Ontario running through a wilderness, a connecting link, or the western line of the Canadian Northern Railway system? I know that he would choose the western road. Now, I tell him if he took all the securities which this 5,350 miles of railway are liable for and added to them this $45,000,000 he would still have the road charged at about the same figure per mile that he charged, to secure this country, on the Canadian Northern Ontario. He took a mortgage, to secure the guarantee of the people of Canada on the Canadian Northern Ontario, at the rate of $35,000 per mile—he took a first mortgage, it is true, on most of it, or in effect a first mortgage. And if he adds the whole $45,000,000 to the present indebtedness of the

Canadian Northern Railway western line, he would only reach the charge of practically $35,000 a mile. So, if one security is 'illusory'—even assuming that we have nothing else than the physical road of the Canadian Northern railway on the western plains—what is to be said of the security he took in 1911?—and got no compensation. But further, does the right hon. gentleman realize what security he did get in 1911? He just took a mortgage on the rails, the right of way, and, I suppose, the stations. He did not provide for a mortgage on the floating assets and current revenues of the company. But we have provided for it in this case, for if the company goes into liquidation our mortgage takes effect on everything it is fastened to now, and immediately fastens itself on the floating assets of the company and all its cash, revenues, etc. What does the hon. member for South Renfrew (Mr. Graham) think of his Government that brought down a Bill to this Parliament to guarantee the bonds of the Canadian Northern Ontario for $35,000,000 and did not take a dollar of compensation for this country or a dollar's worth of stock, and only took security on the rails, the right of way and the stations—on the mere road itself—did not even have the terminals? So, if we took over the road all we should have would be a bare railway, without a terminal, without a connection, without a traffic arrangement, without anything else.

But we do not stop there. We have already three constituent elements in our security. We have the stocks of eighteen companies—the stocks clear of incumbrance—we have the stocks and bonds of eleven more companies subject to the mortgage of 1903, and we have a mortgage on the Canadian Northern Railway western lines subject to the mortgages on the physical lines and properties themselves. But we have more than that, we have a mortgage on the whole townsite properties of Mackenzie, Mann, Limited. That is a portion of the resolution which the right hon. gentleman may have understood, but I notice that he said nothing about it. What does it mean? The Canadian Northern Railway Company are not the owners of these townsites, they made no investment in these townsites; the moneys were all laid out by Mackenzie, Mann and Company, Limited. Lands were sold them by this Government, paid for by Mackenzie, Mann and Company, Limited, and they purchased lands at various points as well. The expenditures have been made by them and by them alone, and these lands belong to them, they are legally their possession, just as the land of any owner is his possession. There is a charge against these townsites in this way: The lands which the right hon. Prime Minister referred to, some 4,100,000 acres, belonged to Mackenzie, Mann and Company, Limited as their property. These lands, with the exception of 100,000 acres, were turned over to the Canadian Northern railway. But before they were turned over, or about that time, bond issues were made against these lands, I think to the extent of $7,000,000. These lands are worth to-day somewhere in the neighbourhood of $30,000,000—the lands and the moneys that have been received from the sales of lands and the agreements outstanding. And the company desired to make a loan, a bond issue, on the lands of $17,000,000 more, were asked to and did put in their townsites as additional security. Consequently, the position was this: Their lands worth about $30,000,000 and their townsites, whatever they were worth, were in as security for bonds issues aggregating about $24,000,000. Now, the lands belong outright to the Canadian Northern railway, and there is an appreciable, yes, a very material surplus, over the whole bond issue in these lands alone. So, if the lands alone were used to discharge the whole $24,000,000 of bond issues it would leave the townsites entirely clear and a few millions of dollars of surplus besides. We have these lands as part of the assets mortgaged direct, and we have the town properties mortgaged as a fourth constituent of our security. It is impossible to say what these townsites are worth. They belong to a company known as Town Properties Limited, which has made an issue of $10,000,000 of bonds, and $10,000,000 of stock. At all events, at a very conservative estimate, these townsites are worth in the neighbourhood of $11,000,000 or $12,000,000. So, there is a fourth constituent of the mortgage premises taken as security for the people of Canada against the guarantee.

But we do not stop even there. We conceived that perhaps our security might be improved, and we set about to improve it in this way: In connection with any of the subsidiary or constituent companies or allied companies the stocks and bonds of which were held and are pledged as our security, it was possible that these companies might make further issues, and that consequently the value of our securities would contract, and in that way the security of the people of Canada would be diminished. As a result of that, and for a further reason

as well, we took the precaution of compelling each of these allied companies, before it gets one dollar of the proceeds of this $45,000,000 issue, to give a mortgage to the trustees as our security to the extent of all the money that it would receive. Each of the allied companies is bound to give, before it gets a dollar of this money, a mortgage on the physical assets of its own railway and its own property for the whole amount of whatever money it shall receive out of that $45,000,000. In that way it will be impossible for any one of these companies, by a further issue of bonds, or by any other method, to impair the security which this country holds for the money which that company shall get. Oh, the right hon. gentleman says, you should have every road mortgaged. Does he mean that we should mortgage a road or a company that does not get any of the money? If a company does not get any of the money, upon what ground should we ask it to give a mortgage? If any of these companies gets the money—and among them they will get all of it, except about $15,000,000, according to the present proposal—then we get a mortgage on its assets—we have already a mortgage on its stock—before it gets a dollar's worth of money, covering every possible dollar they may get of this $45,000,000. What further security would the right hon. gentleman have? Is there any other security in the whole system which the Government could get? We get the stocks and bonds of the allied companies and every time one of them gets a dollar of the money we get down on the rails and assets of that company for another part of our security. We have everything we could have for the protection of the country.

But we do not stop even there. The Brockville and Westport railway, was bought for the Canadian Northern at a court sale and we have insisted that that road be conveyed to the trustees and become a part of our security. In so far as the Brockville and Westport railway is concerned, our mortgage becomes a first charge on the road. There are, I think, six separate constituent classes of securities covered by one mortgage to protect the people of this country. If we eliminate five of them, and thereby eliminate a value aggregating the whole amount of our liability, we will still have left the Canadian Northern itself and if the whole of our liability were piled upon the present liabilities of that road our security would be better than that the right hon. gentleman took in 1911, mile for mile, for the $35,000,000 guarantee given to the Canadian Northern Ontario railway.

The right hon. gentleman says: Why preserve the identities of these companies? I have addresed myself so far to showing that aside from any special reason for preserving the identities of the companies, this country is not concerned in their amalgamation, because we have succeeded in securing all we can secure as part of the mortgaged premises, even if these companies were amalgamated. We have left nothing out that we could get or to which we would rightfully be entitled, even were the companies amalgamated; so that, in so far as security is concerned, no object can be served by amalgamation. Even though that be the case, I think there are sound reasons why amalgamation should not be insisted upon. Amalgamation would mean that each of the companies, instead of turning its stock into the Canadian Northern, subject to the charge for our security, would pass its physical assets into the Canadian Northern subject to such indebtedness as might be against it. That would be the effect of amalgamation as distinguished from the present arrangement. What are the objections to amalgamation? The right hon. gentleman seems to think there are none at all. He says: You provide for amalgamation in this resolution. It is true that there is in the resolution a clause which says that amalgamation may take place under the provisions of the Railway Act, and it is the purpose of the Canadian Northern railway, under the new organization, to facilitate amalgamation as much as possible and as rapidly as the objections and obstacles to amalgamation are swept out of the way. What are the objections and obstacles that at the present time exist? In the first place, under the present system, if any individual outlying line proves an incumbrance rather than a benefit to the system, we are in a position to let it go; we are in a position to say: We will not have this barnacle on the Canadian Northern system, a liability rather than an asset.

Mr. MICHAEL CLARK: Would that not be rather hard on the districts in the West which you want to serve?

Mr. MEIGHEN: There is no danger of that in the West.

Mr. CLARK: What about the East?

Mr. MEIGHEN: I do not know; I hope there is no danger there. But if, in the

progress of events, any such a thing should happen, we have the power to let the mouldering branch drop off. If we permitted amalgamation and such an event took place, the liabilities of the line in question would be loaded upon the Canadian Northern itself. What would the right hon. gentleman do in such a case? Suppose that he found that a certain line, a part of the system, is not a paying line; that it is a liability and a drag on the system, pulling it back rather than helping it forward; what would he do to get rid of it? He could not sell it; it is loaded down with $350,000,000, the debt of the whole system. He could not sell it unless he were to take a jaunt through Europe and circularize several thousand bondholders to get a partial discharge. There would be no way of getting rid of it; he would be tied to it, no matter whether it were valuable or detrimental. So there is one objection to amalgamation. But there are others. It has been found, not only by the Canadian Northern system, but by practically every system, that very many of the accessories which are essential to the success of a railway system are handled to much better advantage in individual companies. I venture to say that not a railway system in the world has amalgamated within it as part of one company all the assets of as many individual companies as come into this system under the present arrangement. Would the right hon. gentleman advise that the land companies amalgamate and convey their lands to the Canadian Northern? Here the Railway Act itself would come in, because only for certain purposes can a railway own land. There would be objection to any such amalgamation. Would he advise that the telegraph company, express company and the Montreal Tunnel and Terminal Company convey their assets to the Canadian Northern Railway Company? What was the idea of the forming of the Mount Royal Tunnel and Terminal Company? It was because the markets of England demanded that the money to be raised for the purpose of these terminals should be raised by this method? It is a notorious fact that if you can simplify into one unit certain of the accessories of a railway and base your securities on specific, well-defined and easily-understood contracts which that company possesses, you can sell the bonds of the company to better advantage. For reasons such as these the Mount Royal Tunnel and Terminal Company was formed, and those advantages you sweep away and rid yourself of if you insist on amalgamation. The same is true right through the system. Indeed, there are objections and legal objections to amalgamation which at the present time could not in honour be gotten over. The right hon. gentleman knows, because he himself, a few days ago, asked that there be laid on the table a list of companies in which Mackenzie and Mann, Limited, did not own all of the stock. That list was laid on the table, some four companies in all, the Quebec and Lake St. John, the Duluth and Winnipeg Company, the Canadian Northern Quebec and another railway whose name at the present time I do not recall. We know that the majority of the stock of these four companies is owned by Mackenzie and Mann or the Canadian Northern railway, but there are portions of the stock, in the main of very small portions but very considerable in the case of the Duluth and Lake Superior and rather considerable in the case of the Canadian Northern Railway Quebec, which are outlying in the hands of the public. Will the right hon. gentleman tell me how he would effect an amalgamation in the case of these companies, portions of whose stock are outlying in the hands of the public? He knows that the Railway Act provides for the protection of minority stockholders and he knows that we could not, without doing injustice and depriving the minority stockholders of their rights, insist on having their stock in this case.

Sir WILFRID LAURIER: Hear, hear.

Mr. MEIGHEN: That is quite correct, so that his whole scheme of amalgamation—

Sir WILFRID LAURIER: All the stock of this company is conveyed to Mackenzie and Mann in this agreement.

Mr. MEIGHEN: Oh, no, how could we make an agreement with Mackenzie and Mann to compel the public to convey stock to them? All the stock of Mackenzie and Mann is conveyed to the trustees for the protection of the Government.

Sir WILFRID LAURIER: The stock of other parties, too, according to your agreement.

Mr. MEIGHEN: If the right hon. gentleman can show me that I will agree to an amendment. Will he just read it, where we provide that all the stock, even if it is owned outside, must be conveyed to the trustees? That would be confiscation pure and simple,

and it does not exist in the resolution. The stock that is to be conveyed is set out in each case in the schedule with the amount opposite the name of the company. That is the stock that is being conveyed, that is the stock that is owned by Mackenzie, Mann and Company, Limited, where they own stock at all. In the case of the Duluth and Winnipeg, the majority is owned by the Canadian Northern railway itself. Where the other is to be conveyed it is the stock owned by Mackenzie, Mann and Company, Limited, because we have no power, without the most arrogant act of confiscation, to demand that others convey their stock to the Canadian Northern railway. As a matter of fact, in the case of the Quebec and Lake St. John, the others cannot be found. That is the reason why Mackenzie and Mann Company have not got the stock. They have been trying to chase them up all over the world but cannot find them. I would ask how, under sections 361 and 362 of the Railway Act, you are ever going to amalgamate with these outlying stocks. The provisions of the Railway Act relating to amalgamation are for the protection of the minority stockholders, and we would have no right, in justice, to repeal them, even if we chose to do so. We have power to repeal them, of course, but it would be unjust to do so. They provide for an application of two-thirds of the stockholders to the Railway Board. The Railway Board must then publish in the Gazette notice that they will, at the expiration of a month, apply to the Governor in Council for leave to amalgamate, and within that time the stockholders have a right to appear and be heard, and there is no telling what length of time may elapse before it would be possible for the Governor in Council to hear the application. After they are heard they have to be protected. I would ask how you are going to protect them so long as there are outstanding stockholders at all? As the stock outlying in the hands of the public comes in and becomes the property of these men and gets into the system, then amalgamation is quite possible, and it is the purpose and aim of all the allied concerns and of the Canadian Northern railway to effect an amalgamation as soon as it can be effected. So much for the question of amalgamation and so much for the advantage of retaining the identities of the original company. I would ask, as a last word, that I be allowed to impress on the right hon. gentleman that while we have, under this arrangement, retained all the advantages of the individual identities of the company, we have not incurred one single obstacle, we have not injected into the agreement one single weakness or impaired our security one jot, by failing to amalgamate the road. The right hon. gentleman complains that the security is illusory because he says it is subject to $312,000,000. He says: You could not take over the road even if there should be failure, because you would have to pay $312,000,000. Of course we would, or assume it. What would the right hon. gentleman say if he found the Canadian Northern railway on their knees and really believed that they were in extremis and had to have the money? What would he himself take for security because he had promised to lend the money? He could not get the road except subject to the indebtedness, he would have to take the very security which to-day he tells us is an illusory security and no good at all. After he took it he would have the hon. member for Carleton or some of his supporters get up behind him and say: You have got all kinds of security; nothing better than default could happen for the country. For this was something like the language used by the hon. member for South Renfrew in 1911, when he said that it would be a great advantage to this country if the Canadian Northern Railway Ontario defaulted and we were obliged to take over this connecting link, without terminals and without any of the accessories of a railway. The right hon. gentleman has a further objection, and this time he is more than usually vigorous in pressing the objection. Why, he said, we are giving $45,000,000 now of our credit. We are loading this country with an indirect liability of $45,000,000 for the Canadian Northern railway, and for the life of me I cannot have the heart to vote for it unless we get a majority of the stock. That is his second last objection. I know that the political necessities in this case were very great. This is a concession which the right hon. gentleman has made to the editor of the Toronto Globe. In the main he was much more moderate, much more sensible, has a more far-seeing eye to the advantage of his party, but he made this little concession that he would follow the dictates of that gentleman to the extent of insisting on a majority of the stock. Here is one of the features of his policy which was impossible for us to predict. I would

9 p.m.

be the last to believe that the right hon. gentleman would say that he would be satisfied with this agreement if it called for sixty instead of forty million dollars of this stock. The right hon. gentleman has made railway bargains himself in days gone by. He made a railway bargain in 1903 and he did not take very much stock at that time. Why, he said, we (this Government) have paid out twenty million dollars in subsidies to this company since this Government came into power. I do not think we have. I figure the subsidies that this Government has undertaken total some $15,000,000, but anyway the difference is not very great. The total subsidies which the Canadian Northern railway and allied companies have received come to about $25,000,000. That is the aggregate of their subsidies. Their bonds have been guaranteed to a very considerable extent besides, I think to the extent of about $131,000,000; and in addition they have raised about $176,000,000 without any credit or assistance at all. That, in a nutshell, is the financial history of the Canadian Northern railway, $25,000,000 odd of subsidies. Does the right hon. gentlemen remember the subsidy that has been paid by this country, under the compulsion of his legislation, to the Grand Trunk Pacific? We will use the word subsidy for that is the word the hon. member for South Renfrew (Mr. Graham) insisted on in the Transcontinental debate. He said the seven years' interest is subsidy, and nothing but subsidy; so we will call it subsidy to-night. What is that seven years' interest which he pays as subsidy to the Grand Trunk Pacific? One hundred and eighty-one million dollars is the cost of the Transcontinental from Moncton to Winnipeg. On $181,000,000, the company have to pay interest after the seven years elapse; we have to pay it in the meantime and it costs this country four per cent. Now, I ask my hon. friend what is seven years' interest on $181,000,000 at four per cent? About $50,000,000 on that item alone. That is the subsidy that the leader of the Opposition bound this country to pay to the Grand Trunk Pacific; but he bound the people of this country to pay a lot more than that. He bound them to pay interest for seven years on the mountain section, without recourse—no getting it back at any time—and that liability is between $11,000,000 and $12,000,000, and I think I have stated it too small. Add that to the $50,000,000 and you have $61,000,000 or $62,000,000 of subsidy to the Grand Trunk Pacific to get them to build a line between Winnipeg and the coast. But more than that, he put an implementing clause in his Bill; he did not get any stock or proprietorship as compensation, but he succeeded in getting an implementing clause, and as a result of that consideration the country is stuck for $13,000,000 more, $4,900,000 of which we have paid already, and to save paying the rest directly we are buying the bonds ourselves, which cost us, of course, far more than we can sell them for. If we followed the course of letting the bonds be sold and paying the difference—as we are bound to do under the implementing clause—we are out $13,000,000 more. Add that to the $61,000,000 or $62,000,000, and you have $74,000,000 or $75,000,000 of subsidy to the Grand Trunk Pacific. But, unfortunately, we cannot stop there. We have undertaken to give the Grand Trunk Pacific the use of the National Transcontinental railway for 50 years for three per cent, and we have to pay, now, four per cent on our money. We are out one per cent on that. It may be that, in that time, the rate will come down. Suppose that we assume that three and one-half per cent would be a fair amount. Capitalize that, and it runs the subsidy to the Grand Trunk Pacific up to about $100,000,000. That is the subsidy that hon. gentlemen opposite saw fit to pay in additional to their guarantees to the Grand Trunk Pacific. Why? To secure the building of a line between Winnipeg and the Pacific coast, about 1,750 miles long, the right hon. gentleman has compelled this country to pay $100,000,000 in subsidy to the Grand Trunk Pacific, or, on that basis, about $60,000 a mile. Then, in addition to that, we build the eastern end of the Transcontinental outright, ourselves. We are out in the meantime in capital expenditure, for which, of course, we have the road, about $181,000,000 besides, as the cost of the Transcontinental from Moncton to Winnipeg. Spreading the subsidy over the whole road we have paid in subsidy to the Grand Trunk Pacific about $30,000 a mile for every mile of the road between the Atlantic and the Pacific. In addition to that we are building ourselves over half of the road, and we guarantee to the extent of three-quarters of the amount for all the rest of it. That is the bargain that the right hon. gentleman made for the Transcontinental. One would have thought that he would have insisted then upon some compensation to the country. One would have thought that he would not have been satisfied with being the

very juniorest of junior partners of the Grand Trunk Pacific. He is a partner in that transaction, all right; the country is a partner—a very silent partner, it is true. It is a silent partner except on pay day, but the country is never a partner on receipt day. He took care that all the money went the way of the company, and that all the risk went the way of the country. That was his bargain with them, and not one dollar of stock did the country get. No possible chance—no matter how profitable the road may be—of ever bringing back to the treasury any part of the moneys we paid in subsidy, or of ever getting compensation for the immense indirect liability under which the country lies. And the same right hon. gentleman says that for the life of him he cannot see his way to consent to let the Opposition vote for a Bill which only takes $40,000,000 worth of the proprietorship of the Canadian Northern as compensation for a $45,000,000 guarantee. I am glad he recognized that there should be compensation for guarantee: this is his first conversion to that doctrine—that is as far as the country is concerned. He recognized the validity of the doctrine in 1903, so far as individual companies are concerned. The Grand Trunk Railway Company guaranteed the Grand Trunk Pacific, and for its guarantee it got the whole stock of the Grand Trunk Pacific. The country guaranteed three-quarters of the cost of building the whole road, and for its guarantee and for its hundred million dollars of subsidy it never got one dollar. And now the right hon. gentleman says that we are not justified at all in letting Mackenzie, Mann and Company away with a paltry $40,000,000 of stock as compensation for our guarantee. We have a two-fifths proprietorship in the Canadian Northern absolutely, come what may. If it succeeds, as there is every anticipation it will, then the value of that stock enters the treasury of this country as compensation; and there is every reason to believe that before any great length of time there will be a par value for that stock, and that the Government of the present Prime Minister will have restored to the treasury of this country the $40,000,000 which his (Sir Wilfrid Laurier's) Government squandered on the National Transcontinental railway.

Mr. MICHAEL CLARK: Will my hon. friend allow me a question? Which railroad has the most wooden trestles in it?

Mr. MEIGHEN: I am obliged to the hon. member for Red Deer for mentioning that point. The Canadian Northern railway is building its railway along sensible lines, and according to business methods. It has used both wooden trestles in the construction and later on steel trestles when they could be put in more cheaply. As a result we are going to have a transcontinental railway that will cost on the outside about $40,000 a mile from coast to coast, instead of $100,000 a mile; and as a result we are going to have a real competing factor in the railway world, instead of a factor the only influence of which in the way of competition is to shove up the rates. But did I say $40,000 a mile for the Canadian Northern as against $100,000 for the Transcontinental? That does not do half justice to the Canadian Northern. In the Canadian Northern as an aggregate system what do we include? We include the railway from coast to coast and all its branches; we include the terminals in every city to which it comes; we include the lands, 4,002,000 acres and the proceeds thereof; we include the telegraph and telephones; we include the express companies and the transfer companies; we include the steamship companies operating two steamships across on the Atlantic, and we include a quarter of a million dollars' insurance for another steamship that was burned. We have all these collateral accessories which go to make a railway, and even then the total aggregate capitalization bond issue is only about forty thousand dolllars a mile.

On the other hand, what is the situation as regards the National Transcontinental railway? It has cost this country in outlay $180,000,000 for about 1,800 miles of road, and when you have got your $100,000 a mile capitalization you have not a steamship company in it, you have not a terminal in it—yes, you have a terminal in it—

Sir WILFRID LAURIER: No, you have not.

Mr. MEIGHEN: Then I was doing overjustice to the right hon. gentleman. But I do know that you have not any express company in it; I do know you have not any transfer company in it; I do know you have not any steamship company in it; I do know you have not any telegraph company in it; you have not any 400,000,000 acres of land; you have no townsites; you have nothing in it except your bare road between Winnipeg and Moncton. Such is a comparison between the railway arrangement of the present Government and that of the late Government led by the Right Hon. Sir Wilfrid Laurier.

Then the right hon. gentleman has another distinctive feature in his railway policy. Under the present Bill we have a summary method of taking over the road, a summary method which in effect gives us as security the other sixty per cent of stock. We know we have the ordinary right which any mortgagee has, and the right which any guarantor of a mortgage has, the right by subrogation of getting into the shoes of the lender and in the event of default exercising the rights of a mortgagee and taking possession of the road as a receiver; we know we have that right, but we have the additional summary remedy of proceeding by mere Act of Parliament to take over the road as the property of the people of this country and eliminate once and for all, all other parties interested in that railway. And we have not only so arranged it that the interests of the Canadian Northern and all other persons whatsoever in the Canadian Northern system shall be eliminated, and that in the event of default all shall be the property of the Canadian people, but furthermore, the ten million dollars of stock in the townsite and the ten million dollars bonds are put into hotchpotch, although they are the property of Mackenzie and Mann, and although Mackenzie and Mann alone made investment in them, and in the event of our foreclosing and taking over the enterprise we ourselves get the whole benefit of the townsite. That summary method is given us. It is true Parliament has to act. The Government did not think it wise to in any way tie the hands of Parliament in days to come. We provide though that Parliament in days to come, should there be default, shall have in its own hands the power to put in directors of the road, and we clothe the directors so appointed with full power to sell that road to any corporation established by the Parliament of this country for the purpose of taking over the road. Or, if we choose, we can ourselves, by Act of Parliament, legislate that that road is the property of the people of this country and that the interests of all persons whatsoever outside of the people of Canada are eliminated. The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract, and we say to them: We now and here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country. That is the summary procedure outlined here for taking over the road.

How does that differ from the procedure followed by the late Government? Had they any such method? No. They had the ordinary method of subrogation it is true; those ordinary methods come in the common law and they were embodied in their Bill. They have the right to go into possession of the Grand Trunk Pacific as receivers, and when they do so they act as receivers, and if the road pays the Grand Trunk Pacific can come back again and take the road and make the money. But if the road fails it fails, and the people of this country stand the loss and all the results therefrom. That was the method employed by the late Government for taking over roads in respect of which it issued its guarantee bonds. And in 1911 when the present hon. member for South Renfrew (Mr. Graham) introduced his resolution to guarantee the $35,000,000 issue of the Canadian Northern Ontario railway, no summary provisions whatever were embodied in that resolution, and the only rights which this country had were the rights of subrogation. Their only way of getting into the shoes of the bond-holders and exercising these rights was by the appointment of a receiver. As a consequence if that road paid, then the stockholders could come in and demand their money back, the bond-holders being satisfied, but if it failed, on the head of this country was the failure, and all the consequent loss.

During the last few weeks we have been told several times that we were very stingy with our information and very slow in producing it. I do not believe that any legislation has ever been proposed in this House which has been accompanied by data so ample as this Government has supplied in the present instance. There has been no concealment. The right hon. gentleman asked for the names of all contractors, and for the names of all parties that the Canadian Northern owed. If there was throughout the length and breadth of Canada a man to whom they owed one dollar and fifty cents he wanted to know who that man was; he wanted to know the name of each individual who was a creditor in this $21,262,000. It was not believed that such information would result in any good whatever, but that on the contrary there would be insuperable objection to dis-

closing such particulars as that. But what was the procedure in 1911 when the hon. gentleman from South Renfrew (Mr. Graham) was Minister of Railways, and when he asked for a guarantee for the Canadian Northern railway? He came to this House without any data at all; he had made no exploration of the road; he did not know what it would cost; he had the guarantee of the Canadian Northern but he did not know how the Canadian Northern stood. He was asked in this House what the cost of the Canadian Northern was and his answer was he did not know; he was asked what the bond isue of the Canadian Northern was and his answer was he did not know. He had no data on the subject; he had never sent his engineers over the line; he did not know what the road would cost; he had very little idea of it at all; and he had no data or papers to lay on the table of the House. And as a matter of fact he was unable to tell the House where the road was going. He pointed out a few far-distant parts through which it was going to go, but the route of the road as ordinarily laid down he was unable to give to the House.

Mr. GRAHAM: Under these conditions did my hon. friend or any of his friends vote against this guarantee?

Mr. MEIGHEN: On this side of the House the particulars were called for and the data should have been supplied by the then Minister of Railways. Protests were made against the guarantee. Inquiries were made of the Government as to the grounds for it. One protest after another was entered. As far as I can recall, the House was not divided; but there was no excuse whatever for the hon. member for South Renfrew (Mr. Graham), then Minister of Railways, not arming himself and informing the country to the extent it should have been informed before it incurred that liability. We have on the table a whole book of data which I venture to say not one hon. gentleman opposite has read in full yet; and when $35,000,000 were guaranteed here three years ago, the table of this House was as bare as the board of Lazarus. Then my right hon. friend comes to the traffic clause, and he conceives that he has found the much heralded joker which the Liberal press of this country has been declaring would yet be discovered in the Government proposals in regard to the Canadian Northern. He says the traffic clause is so perilous a thing that it utterly removes the Canadian Northern Pacific from the jurisdiction of the Board of Railway Commissioners as to rates. The Canadian Northern Pacific is at the present time a provincial company; it had its bonds guaranteed by the province of British Columbia, and it entered into an arrangement with the Government of British Columbia by which that Government should control its rates, and it would not apply for or agree to a control of rates by the Government of Canada through the Board of Railway Commissioners. That is all correct; but the law is the law and the law of this country, as contained in section 6 of the Railway Act—I think I have the section right—is that the moment the assets of the railway company are declared to be for the advantage of Canada, the jurisdiction of the province ceases and the jurisdiction of the Dominion commences. Consequently the effect of this clause is undoubtedly, clearly and emphatically, to establish the jurisdiction of the Railway Commission over the Canadian Northern Pacific as over every other railway line embraced in this system. Oh, well, says my right hon. friend, you have nullified the effect of your absolute clause by this traffic clause contained in the agreement. Now, what is the traffic clause contained in the agreement? Here it is:

> The Canadian Northern and the Constituent and subsidiary companies severally agree with the Government as follows:—
>
> (b) That they and each and every of them will from time to time enter into agreements with the Government for the mutual interchange of traffic between the Canadian Northern and the constituent companies or any of them, with the Government railways, and the terms and conditions of every such agreement shall be such as the parties thereto may agree upon or in default of agreement, as may be settled by the Board of Railway Commissioners for Canada (hereinafter called the "Railway Board"), and the Railway Board shall have power from time to time upon the application of the Governor in Council or of any party to any such agreement to vary, modify or rescind the same provided always that every agreement respecting the interchange of traffic shall be subject to any agreements now existing with any other company or companies.

That is to say, that the Canadian Northern itself, owning the stock of all the other companies, or any one of the others, as the Canadian Northern Pacific, will, if called upon at any time, enter into an agreement for the mutual interchange of traffic with a Government railway. The terms they are to agree upon mutually. If they cannot agree, the Board of Railway

Commissioners is empowered to fix the terms, but no terms can be fixed affecting this traffic arrangement between the individual company and the Government railway that nullifies any agreement already entered into. In the first place, if this clause is never acted upon, there is no repeal of the general clause establishing jurisdiction, is there? If we never call upon the Canadian Northern Pacific to make a traffic arrangement with a Government railway, then the clause is never acted upon, and consequently there is no repeal, even if there were a repeal, if it were acted upon. I pause for any objection, if there is any objection to the reasoning so far. There is no objection, and consequently that is quite clear. Then, who in the world can conceive of the Government, owning the Intercolonial railway, calling upon the Canadian Northern Pacific 2,000 miles away, to enter into a traffic arrangement? The Canadian Northern Pacific is confined to the province of British Columbia, and how in the world can it make a traffic arrangement with the Intercolonial railway that never gets west of the province of Quebec? Consequently the point raised by my right hon. friend, to say the most of it, is a purely academic one. There is no conceivable possibility of a traffic arrangement between any constituent company in British Company and any Government railway, is there?

I go farther. Not only will the clause never be acted upon, so far as anyone can see, with regard to the Canadian Northern Pacific; but if it were acted upon, it would not have the effect for one minute of impairing in the slightest degree the control of the Railway Commission as to rates. Let us say that the Government owns a railway that runs to British Columbia, and it says to the Canadian Northern Pacific in British Columbia: We want to make a traffic arrangement with you for the interchange of traffic? What is a traffic arrangement? It is an arrangement for the interchange of traffic and for the apportionment of rates. Well, suppose we have a line running to British Columbia, and the Canadian Northern Pacific railway is asked to make an arrangement with us for the interchange of traffic and the apportionment of rates between us. If we cannot agree, the Railway Commission decides how the traffic is to be interchanged and how the rates are to be apportioned. Now, how in the world can that ever interfere in any way whatever with any agreement between the Canadian Northern Pacific and the British Columbia Government as to control of rates? It does not matter what the rates are. All the traffic arrangement does is to apportion the rates, whatever they may be, and to agree upon an arrangement by which traffic shall be interchanged. The rates are fixed by the Railway Commission. The apportionment of them is fixed by the traffic arrangement.

Furthermore, the agreement that the right hon. gentleman has referred to between the Canadian Northern Pacific and the British Columbia Government is not a traffic arrangement at all. Therefore, for a third reason it can not possibly interfere with the jurisdiction of the Railway Commission, because the meaning of that clause would be, and it was intended to be and is, that, while if there is any traffic arrangement such as that we have, as a Government, with another road, that traffic arrangement shall not be violated by any terms the Railway Commission shall make. As a matter of fact we have a traffic arrangement. I am informed that the Canadian Northern has no traffic arrangement with any company, but the Government of this country has a traffic arrangement with the Grand Trunk, made by the right hon. gentleman himself, for the interchange of traffic at the city of Montreal. As a consequence, we were bound to protect the country by saying that we could not be called upon to make a traffic arrangement with the Canadian Northern that would be a violation of our obligations under our traffic arrangement with the Grand Trunk. That is the effect of clause (b), of which the right hon. gentleman is so much afraid.

I recapitulate as follows the reasons why there is nothing in the objection of my right hon. friend. First, there is no conceivable possibility of the clause being acted upon with regard to the Canadian Northern Pacific at all, because we have no line that connects that can make a traffic arrangement with it. Second, if there were a traffic arrangement between any two companies, it could be made apportioning the rates between them without in any way violating any arrangement with any Government as to the rates themselves. Third, the agreement made by the Canadian Northern Pacific with the Government of British Columbia is not a traffic arrangement at all.

I think I have passed in review, perhaps not fully, but as fully as the time at my

disposal will permit, all the objections raised by the right hon. leader of the Opposition to the resolutions of the Government.

I do not feel that I should be justified in delaying the House longer with a more detailed examination of the various provisions of the Bill. That can be better attended to in committee. While we believe this Bill to be complete, while we believe that it safeguards the public interest in every way, yet it is laid before the House not as an invulnerable document, not as an infallible document beyond all possibility of improvement, but as the proposal of the Government to which we invite criticism from hon. gentlemen opposite as well as from hon. gentlemen on this side of the House. And if the Bill can be improved in the public interest, it is open for improvement, and we will welcome any suggestions along that line. But, Sir, we lay the Bill on the table of the House and before this Parliament as the solution proposed by us of a very vast and very difficult problem, a problem freighted with difficulties on every side; and we say, in laying it before this Parliament, that we believe it at once preserves the public interest and does justice to all the fair claims of private capital; for only by concurrent regard for the rights of private enterprise and the promotion of the public welfare can the ultimate ends of government be properly subserved.

Mr. W. F. NICKLE (Kingston): If my intention in rising had been to reply to the hon. the Solicitor General (Mr. Meighen), his eloquent, able and comprehensive speech might, at the last moment, have deterred me. But, Sir, I have not risen with that intention. I have a conscious sense of embarrassment in rising to-night to express to this House and to the country the reason for my differing with my party on this measure. It is not a pleasant thing to differ from men who have been one's confreres for a length of time, and it is an accentuated unpleasantness where the position one takes is seized upon by the representatives of the opposite party and his conclusions and his motives distorted.

When I accepted the nomination for the city of Kingston I reserved to myself the right to exercise my judgment and express my views on such subjects as were not fundamental to the Conservative party, and it is in the exercise of that right that I rise to my feet this evening. Sir, I do not believe that there is a man in this House to-night who is more loyal to the principles of the Conservative party as he understands them than am I. But I am not willing to admit that it is necessary to the solidarity of party government that the crack of the party whip should be so loud and its sting so sharp that individual responsibility should be absolutely abrogated.

I have, as I say, some difficulty in approaching this subject. My good friend the Solicitor General has frankly admitted that the Government places this Bill on the table not wedded to its terms, that they are prepared to have it discussed and to accept amendments if in their opinion they are such as should be adopted.

It is a strange thing what an important part railway legislation has played in the history of this country. In the fifties we had the Grand Trunk Railway Company; in the sixties we had the Intercolonial railway; in the seventies and early eighties we had the Canadian Pacific railway; at the end of the century we had the minor Ontario railways and the proposed railway in the Yukon; and from 1900 we have had the National Transcontinental and the Canadian Northern railway. In my judgment there is much of truth in what the Solicitor General has said in his criticism of the construction of the National Transcontinental railway and as to the effect of that road as a competing road for the lessening of rates. If I understand the principle which underlay the construction of that road it is that Mr. Hays thought that the increased cost of railway operation through the increase of wages and prices of material, necessitated the construction of a road which would permit of long trains being economically drawn. But when the cost of the Transcontinental was so augmented, through irregularities and extravagance that the interest charges became excessive, then, I say, the National Transcontinental ceased to be a factor in competitive railway rates in this country. If I understand correctly the attitude of Messrs. Mackenzie and Mann, or the Canadian Northern Railway Company, they approached the problem from an altogether different point of view. Their road was constructed more after the manner of a colonization road. The original cost of construction was reduced to a minimum with the idea of improving the road out of earnings or improving it indirectly as money might be available. And it follows necessarily,

where grades are high and curves are sharp, that the cost of operation must be high although the expenditure for construction is small and the interest charges comparatively low. I do not know that any opinion of mine as to what would have been the wise thing for the Liberal party to have done in 1903 will carry the slightest weight or be deemed worthy of attention. But I submit for the consideration of this House and the country at large, that from the point of view of economy—and I want to emphasize that word, 'economy'—it would have been better for the Government of that day to have made some arrangement with the then existing transcontinental road the Canadian Pacific railway, around the head of lake Superior, than have put Canada to the expense of building another road there. But there is another consideration besides that of economy. I do not know the motives that actuated the present leader of the Opposition (Sir Wilfrid Laurier). It may be that he was inspired with the idea that Canada through the West should be something more than a line, that it should have breadth as well as length, and that he felt that from a national and political point of view it was well that Canada should be broadened around the head of lake Superior, and therefore favoured the construction of the second transcontinental railway. However, Sir, when we come to the question of 1911, it has always puzzled me why the then Minister of Railways and Canals promoted the construction of a third transcontinental road by guarantee of $35,000 per mile of some 1,000 miles of road. Surely it would have been the wiser plan to have incorporated the National Transcontinental and the Canadian Northern Railway system into one road. It would have been more economical and certainly it would have served equally well the national and political outlook. But that plan was not adopted, and I suppose that but little is to be gained by looking into the past rather than into the future. But before I leave the past, I would like to direct the attention of this House and of the country at large, and more particularly of my constituents, to the fact that when last year application was made to the Government for further assistance to the Canadian Northern Railway Company, I was outspoken within my own party in stating my objections to any aid being granted without a full and ample inquiry.

I told those then in authority that in my judgment the amount required would never complete the Canadian Northern Railway system. I was, however, confronted with the statement then made by an official of the Canadian Northern railway that if that money were granted that railway system would be enabled to carry its work to completion. I was told that to stop that work would be a national calamity; that the Canadian Northern railway was so closely allied with the financial interests of this country that if the work were stopped, financial chaos would result and Canada would suffer a setback from which she could not recover for half a century. Possibly I was wrong in yielding to that argument without full examination, but, as you will remember, Sir, the Bill was brought down to the House in the dying hours of the session and there was little opportunity for inquiry and investigation. This year, however, when the matter came first to the attention of the House, through an insidious and persistent lobby that was carried on by the Canadian Northern interests, it seemed to me that the time had come for a thorough examination and inquiry into the development and organization and relation to the Government of the Canadian Northern Railway system. After giving that matter the most careful consideration that I have been able to give it, permit me, Sir, to say that I am of the opinion to-night that I held a year ago; that it was a mistake in 1913 to have assisted the Canadian Northern railway, and that the bargain that the Government suggests to-day is a bad bargain for the Dominion of Canada.

I want to look back a little into the history of the Canadian Northern railway. I should like this country to understand just how this undertaking has been organized and managed. I do not know whether members of this House know the history of this company, but I do know that it took me many weary hours to worm out from the statutes of this country the financial wanderings of this road, and the intricacies of its amalgamation and absorbing corporations. I want this House to come back with me to the year 1880, when certain gentlemen presented a petition to this House asking for an incorporation for the Nelson Valley Railway and Transportation Company. The prayer of the petition had the favourable ear of the House and by 43 Victoria, chapter 57, authority was granted to that railway to undertake certain operations, and by 43 Victoria, chapter 59, similar powers were granted to the Winnipeg and Hudson's Bay Railway and Steamship Company. The Nelson Valley Company had power to build a rail-

way between the north shore of lake Winnipeg or the navigable waters flowing northward therefrom, and the shore of Hudson Bay at or near the Churchill river, with a branch to the Pacific railways west of lake Winnipegosis. By an Order in Council of July 28, 1882, authority was given for the grant, on terms and conditions named, of 6,400 acres of land per mile to the Nelson Valley Company for the construction of their main line and branch, the total distance being reckoned at about 800 miles. The Winnipeg and Hudson Bay Company had charter powers to build a railway from the city of Winnipeg to Port Nelson or some other point on the shores of Hudson Bay at or near the Nelson river. By an Order in Council of the 28th July, 1882, authority was given for the grant of land to the company, on specified terms and conditions, for their line from Winnipeg to Port Nelson, the distance being set down as about 573 miles, namely 3,840 acres per mile up to the 54th parallel and 6,400 acres per mile from that point to the terminus at Port Nelson. By the Act of 1883, 43rd Victoria, chapter 69, authority was given for the amalgamation of the two companies and such amalgamation appears to have been duly carried out, but in the following year, 1884, by the Act of 47 Victoria, chapter 70, this Act was repealed and authority was given for winding up the Nelson Valley Company and the transfer to the Winnipeg and Hudson's Bay Company, of all its rights, privileges and franchise. By this Act of 1884 the construction powers of the Winnipeg and Hudson's Bay Company were amended and they were empowered to build either from Winnipeg or Selkirk, or from the Canadian Pacific railway between Selkirk and Portage la Prairie to Port Nelson and Churchill or some other point on the shores of Hudson Bay in the territory of Keewatin; also a branch to the Canadian Pacific railway west of the lake Winnipegosis. By the Dominion Lands Act Amendment of 1884, 47 Victoria, chapter 25, the Governor in Council was authorized to grant aid in land to a railway from some point on the Canadian Pacific railway to Hudson bay, the limit being 6,400 acres per mile in Manitoba and 12,800 acres per mile in the Northwest territories. By Order in Council of May 11, 1885, all previous orders in this connection were cancelled and there was granted to the Winnipeg and Hudson Bay Railway and Steamship Company a subsidy in land. I would like the House to observe that this grant was made to the railway company, not to the contractors. The Order in Council provided that the grant should be made to the Winnipeg and Hudson Bay Railway and Steamship Company. The subsidy in land was divided as follows:

Division A, from the Canadian Pacific railway to the northern boundary of Manitoba: estimated distance, 225 miles, (6,400 acres per mile), 1,440,000 acres.

Division B, from the boundary to the terminus near the mouth of the Nelson river, Hudson Bay, estimated distance, 425 miles, (12,800 acres per mile) 5,440,000 acres.

Division C, the branch, from a point on the main line, near the northern extremity of lake Winnipeg, to intersection with the Manitoba and Northwestern railway, estimated distance not to exceed 250 miles, grant to be subject to approval by Parliament, (6,400 acres per mile) 1,600,000 acres.

The time for completion was fixed by this order as 50 miles on division A or B by April 19, 1887, and 50 miles a year thereafter until completion of main line, but if the main line was not completed by May 11, 1890, they were to forfeit their right to a grant for their branch line, which was itself to be completed by May 11, 1893. In April, 1888, the chief engineer of Government railways reported, showing that 40 miles of road were completed, with the exception of certain station buildings, etc.

Whilst on this point I would like to ask the Government if they would be good enough to let the House know if the recent demand of Mackenzie and Mann for 256,000 acres of land in respect of that 40 miles has been recognized, or if it is going to be recognized.

In 1887, the various Acts relating to the company were consolidated and amended by the Act 50-51 Victoria, chapter 81. They were thereby empowered to construct a railway from Winnipeg northerly to Port Nelson or Churchill or some other point on the shore of Hudson bay, and a branch from any point on their main line at or near the crossing of the Saskatchewan river to the Canadian Pacific railway west of lake Winnipegosis. Their capital stock was fixed at $15,000,000. The Act provides that no portion of the railway or its branches or lines leased or controlled by the company shall be amalgamated with the Canadian Pacific Railway Company. The limit of time for completion of the main line was fixed as June 21, 1891. The name of the company was changed to the Winnipeg and Hudson Bay Railway Company.

In 1890, by the Act 53 Victoria, chapter 80, the clause of the preceding Act relating to completion was repealed and the following substituted:

The said main line of railway shall be completed to the Saskatchewan river within four years from the 21st of June, 1890.

In 1891, by the Act, 54-55 Victoria, chapter 81, authority was given for entering into a contract with a company by the Government for the conveyance of men, materials and mail for twenty years, for a subsidy of $80,000 annually on the construction of the railway from the end of the forty miles already built to a point on the river Saskatchewan. Perhaps it is only fair that I should explain to the House what I understand these transport contracts were. The land grants were not available for the ready raising of money for the financing of the road, the Government guaranteed a transport contract by which they agreed to pay, for a definite number of years, a certain amount. This amount would be transferred or assigned from the company to one of the financial institutions which would advance money for the purpose of carrying on construction work, and at the expiration of the period of the transport contract an adjustment would be made between the Government and the company to see which was the debtor. By the Act, 57 and 58 Victoria, chapter 9, 1884, the name of the company was changed to the Winnipeg Great Northern Railway Company, and the time clause of the Act of 1891 repealed, the following being instead enacted:

The main line of the railway shall be completed to the Saskatchewan river.

You will observe that the original road was to have gone to Hudson bay. This provided that the railway should stop at the mouth of the Saskatchewan river.

The main line of the railway shall be completed to the Saskatchewan river by the 31st of December, 1896, otherwise the powers granted with respect to such construction shall be null and void as respects so much of the railway as then remains uncompleted.

An Order in Council of the 8th of November, 1893, extended the time for subsidy purposes up to the 31st of December, 1896, for the completion to the Saskatchewan river. I wish to direct the attention of the House to the cost of railway construction in the Northwest at that period. On the 12th of May, 1894, Ross, Mackenzie and Company entered into a contract with the Winnipeg and Hudson Bay Railway Company to construct 290 miles of railway for the sum of $11,700 per mile. Mr. Collingwood Schreiber, the engineer of the Government, estimated that $10,870 per mile was a fair price, but he added 5 per cent to cover incidentals, and left the price $11,420. The Winnipeg company then made application—and if you will follow the meanderings of this company from the early days up to this day you will find that their policy has always been, whenever work was undertaken, to get the Government behind them, either by way of loan, guarantee or subsidy. The company made application to the Government for a loan of $2,500,000. They had a land subsidy of 6,400 acres per mile, they had a transport subsidy of $80,000 per year for 20 years, the cash value of that subsidy being $1,200,000. The Government of the day, the late Hon. John Haggart being then Minister of Railways, gave their approval to assistance by way of loan. The work, however, did not go on, owing it is alleged to the stringency of the money market and the slackness of agricultural conditions in the West. By the transport agreement, provision was made that if the work of construction was not advanced the contract might be terminated and other disposition made of the subsidy. A new transport contract was made under date of the 2nd of May, 1896, by which a new transport subsidy of $40,000 a year for twenty years was given the Winnipeg company and the other half of the subsidy, $40,000 a year, was given to the Lake Manitoba Railway and Canal Company. By the Act of 1898, chapter 10, it was enacted that the

10 p.m.

company, instead of constructing its lines to the Saskatchewan river might, before the 31st day of December, 1899, construct a line of railway commencing on the Lake Manitoba Company's line, at a point between Dauphin station and lake Winnipegosis, thence towards the Swan River district northerly and westerly, and that upon such construction the company should be entitled to the subsidies of which I have spoken.

I wish now to direct the attention of the House for a moment to the history of the Lake Manitoba Railway and Canal Company. This company came into existence in 1899, by 52 Victoria, chapter 57. It had power to construct a railway from Portage la Prairie to deepwater on lake Winnipeg. From time to time this charter varied and widened, permitting the construction of a railway from Portage la Prairie northerly and westerly to lake Winnipegosis, around the west side of Dauphin lake. The Lake Manitoba company had this Dominion assistance. They had the transport subsidy of $40,000 a year to which I have directed attention. They had 6,400 acres per mile of

land, and by an arrangement entered into with the Manitoba Government—and my right hon. friend the leader of the Government this afternoon when directing attention to the fact that these charters of the Winnipeg company and the Manitoba company were for years peddled around without a purchaser failed to direct the attention of the House to the radical change that took place when Messrs. Mackenzie and Mann bought this charter. Up to the time they got their grant of $8,000 per mile from the Manitoba Government, all these companies had was the land grant and the transport subsidy, with an assurance that certainly merited recognition from the point of view of railway financing, they had the courage to make application to the Manitoba Government for a guarantee of $8,000 per mile to build a road that they had admitted could be built for $11,700 per mile. Just figure this out for a moment. These wizards of finance, so-called, had bonds guaranteed at the rate of $8,000 per mile. They had lands that were worth $9,600 per mile, if the land is valued at $1.50 an acre, and I leave it to you and members of the House who are older in parliamentary affairs than I am, to say whether in the '90's lands in the Swan river and Dauphin district were not worth at least $1.50 per acre. They had more than that, they had a transport subsidy, which, capitalized, was worth $4,000 per mile. In other words, they had $21,600 of Government subvention to build a road that their own contract showed could be built for $11,700 per mile. That is the beginning of the road.

I want to state to the House where the Canadian Northern Railway Company came into existence. The Act permitting the amalgamation of the Manitoba Railway and Canal Company and the Winnipeg Northern Company, the two companies to which I have been referring, was passed in 1899, 62-63 Victoria, chapter 57. You will remember that the authorized capital, not the subscribed capital of the Winnipeg and Northern Company, and that was the final name of the Winnipeg company, was $15,000,000. The authorized capital of the Lake Manitoba Railway and Canal Company was $800,000. And what did the wizards of finance do when they bought up these two charters? They amalgamated the two companies under the name of the Canadian Northern Company and by section 3 of their agreement they fixed the stock at $16,000,000, all paid up and fully subscribed.

And that $16,000,000 of watered stock is the initial foundation on which the Government builds their claim that they are dealing fairly with the country when they take forty millions of watered stock as security for a bond guarantee of $45,000,000. How did they provide for the distribution? Section 6 says:

> Each shareholder in the Winnipeg Company shall be entitled to receive, and there shall be issued to him by the amalgamated company, one share in the capital stock of the amalgamated company, issued as fully paid up and free from calls and other liability, for every one hundred dollars, paid up upon the shares held by him in the capital of the Winnipeg Company.

The agreement further provides:

> Each shareholder in the Lake Manitoba Company shall be entitled to receive, and there shall be issued to him by the amalgamated company, two shares in the capital stock of the amalgamated company, issued as fully paid up and free from calls and other liability, for every one hundred dollars of fully paid-up stock held by him in the capital of the Lake Manitoba Company.

The original capital of $15,800,000 was increased by $200,000, a paltry sum perhaps, to roll the whole amount into round numbers. They went on further with their amalgamation. By chapter 52 of 1 Edward VII, 1901, certain agreements of amalgamation between the Canadian Northern Railway Company and the Manitoba and Southeastern Railway Company, and the Canadian Northern railway and the Ontario and Rainy River railway were ratified. The agreement is dated 28th of April, 1900. Schedule 'A' says:

> 3. The name of the amalgamated company shall be 'The Canadian Northern Railway Company.'
>
> 4. The amount of the capital stock of the amalgamated company shall be sixteen million, seven hundred and fifty thousand dollars.

$750,000 of water was poured into the amalgamated company. How was it divided? In the same way: $100 worth of fully paid-up capital stock for every $100 of stock subscribed for, whether paid or not. Let us go further. By schedule B of the same Act a further agreement was ratified. That agreement provided that the amount of the capital stock of the then amalgamated companies should be $24,750,000 being the capital of the two companies. One share of the new stock was issued for each share of the old stock held by the respective shareholders in each company.

And now, Sir, a change comes over the scene; the hand of the hon. Minister of Public Works appears. He was then Min-

ister of Public Works in Manitoba. The Northern Pacific and Manitoba Railway Company ran a line of railway from the United States up into Winnipeg. The railway was not doing well and was in the hands of a receiver. With that shrewdness that has characterized the Minister of Public Works from that day to this, he grasped an opportunity that few men at that time appreciated. He went to the United States and made an arrangement, the full story of which I am not at liberty to tell, but it would be interesting if he would take the House into his confidence.

Some hon. MEMBERS: Hear, hear.

Mr. NICKLE: It is not often that gentlemen opposite applaud the Minister of Public Works, but I am sure they will be generous when I tell them that the bargain he entered into with the Northern Pacific and Manitoba Railway Company was highly advantageous to the province of Manitoba and a credit to the Minister of Public Works.

Mr. J. E. ARMSTRONG: Cheer now.

Mr. NICKLE: The province of Manitoba secured the road, and almost at once turned it over to the then Canadian Northern Railway Company stipulating that the Canadian Northern Railway Company must guarantee not to take the traffic through American territory and thence to the seaboard by other American lines but that they must connect up with the Canadian Northern railway to Port Arthur. I want to say that if there is one thing that has characterized our railway policy more than another it is this: we have done things in Canada because our conditions compelled us to do so, but while we did things we also dreamt things, and one of the things we dreamt was that Canada must be united from the Atlantic to the Pacific, and when the Minister of Public Works made that bargain that diverted the grain trade of Manitoba from the United States to Port Arthur and the Great Lakes, he did a great work for Canada. Later on the Canadian Northern railway branched out. Certain subsidiary companies were incorporated to conduct railway operations in British Columbia, Alberta, Saskatchewan, Ontario and Quebec under the name of the Canadian Northern Pacific, Alberta, Saskatchewan, and so on. I have mentioned the fact that they made application to this House in 1911 for a grant of $35,000,000 and that they got it. We know what was done in 1912, and also last year. So much for the early history of the company.

I now wish to draw the attention of the country to the aid this railway company has had, and while one does not want to say unpleasant things it is hardly fair to the people of Canada to issue such a misleading statement as the Canadian Northern railway people have issued to the people of this country through the recent blue book laid on the table of the House. Any one who reads it with care, and that understands the financial situation, will see how craftily words have been used; the distinction that is made between aid received and aid granted, to these companies since their incorporation, and amalgamation under the name of the Canadian Northern Railway Company, and the careful method by which the subsidies and aids are eliminated when the aid was given prior to amalgamations. I say that the statement issued by the Canadian Northern railway most inadequately portrays to this country what assistance has been given to the company, and I am going to read to this House a statement showing the assistance Canada has given the Canadian Northern Railway Company system. Take land grants for instance. Let us see what the Dominion Government has done. As I explained earlier in the evening, they made a grant to the Winnipeg Great Northern of 2,624,128 acres. I have asked the Government how about that extra 256,000 acres they asked for a few week ago. Does the Government intend to grant that in respect of 40 miles of railroad constructed out of Winnipeg—a railroad that was never completed, the wires of which were used to fence the fields of settlers, the ties of which rotted, and whose rails lay a streak of rust along the way? The member for Selkirk (Mr. Bradbury) tells us that when the road was built thirty years ago the land could not be sold. To-day it is worth from $15 to $20 an acre. Is the Government going to yield to Mackenzie and Mann, and grant 256,000 acres of this domain in the year 1914 which was not asked for in 1900, when the land was worth only $1.50 an acre? Why was the request made lately? Why has it hung fire so long? We will take another case. The Canadian Northern Railway Company received, as the Lake Manitoba Railway and Canal Company, 798,400 acres of land. The Manitoba and Southeastern Railway Company, now a part of the Canadian Northern railway, received 680,320 acres. In other

words, the Canadian Northern through these three subsidiary incorporated companies has received 4,102,848 acres of land.

Now, let us see what that land is worth. I desire to be fair, and perhaps it is hard to be fair sometimes; but I would like to direct the attention of the House to the value of the lands as shown by the company. I would first direct attention to the eighth annual report of the Canadian Northern Railway Company, at page 8 where, over the signature of Sir William Mackenzie, he admits that up to that date there had been sold $12,964,627.76 of that land, and that in addition the railway company had to dispose of 1,151,017 acres.

Mr. CARVELL: What is the date of that report?

Mr. NICKLE: It is the report for the year ending the 30th June, 1910. Let us see what they have got for their land since. I give in this table the year, the number of acres sold, the price received, the average per acre, and the page of the report of the Canadian Northern Railway Company at which the statement is to be found:

Year ending June 30.

	Acres.	Price.	Average per acre.	Page of report.
1909. ..	116,662	$1,091,722.37	$ 9.36	7
1910. ..	246,996	2,561,072.52	10.36	6
1911. ..	279,151	3,345,498.73	12.00	6
1912. ..	55,111	836,084.37	15.17	6
1913. ..	19,755	291,195.18	15.36	6

Let us see now how much they received for these lands altogether. The following extract from the reports will show the net result to be:

Land sales to 30th June, 1910 ..		$12,964,627 76
	Acres.	
Available acreage to 30th June 1910	1,151,017	
Sold from 30th June, 1910, to 30th June, 1913..	354,017	4,472,776 28
Unsold June 30, 1913.	797,000	
Estimate of the unsold land, 797,000 acres at $15 an acre...		11,955,000 00
Total..		$29,392,404 04

This shows that the land grant they received from the Dominion Government will bring them $29,392,404.04 in cash. So much for the land.

Let us come now to the province of Quebec and see what land they received from that province. As I said in the beginning I wanted to be accurate, and I therefore wrote to the treasurer of the province of Quebec, who kindly wrote me explaining what land in the province of Quebec was granted to Mackenzie and Mann, or rather to some of these allied or subsidiary companies. The net result is that the province of Quebec gave to the allied companies of the Canadian Northern 685,800 acres of land, which I might put down at, let us say, $5 an acre.

Let us now come to the province of Ontario. I was a member of the legislature when Mackenzie and Mann made application to the Government of the province of Ontario asking that they be assisted in the building of this railway from Port Arthur to Montreal. Sir James Whitney, with that astuteness which has always characterized him, refused to guarantee their bonds and refused a subsidy, but he said he would give them lands provided they threw their line further north than they intended to do; that is, that they would throw it up into the clay belt, so that it might act as a colonization road. The result is that the province of Ontario granted 2,000,000 acres of land to Mackenzie and Mann, and taking that 2,000,000 acres of land at $5 an acre, and I submit it is not an unreasonable value to put on it, that would make $10,000,000 as the value of the land they received from Ontario. The Dominion land grant amounted to $29,392,000, the Quebec land grant to $3,400,000, the Ontario land grant to $10,000,000, making a total estimated value of land grants of $42,392,000 granted by this country to Mackenzie and Mann and their allied interests.

Let us come to the question of the bond guarantee and the subject becomes interesting. Let us see what the Dominion has done. These are the bond guarantees by the Dominion Government:

1. The Canadian Northern Railway Company, Cap. 7, 3 Edward VII, 1903: Gilbert Plains branch to Edmonton, 620 miles; Prince Albert branch, P.A. east, 100 miles; $13,000 per mile. The guarantee is for the principal of £1,923,287 sterling, and interest thereon at the rate of 3 per cent per annum for fifty years.

2. The Canadian Northern Railway Company, Cap. 11, 7 and 8 Edward VII, 1908: The guarantee is for the principal of £1,622,586 19s. 9d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from July 20, 1908, interest payable half yearly.

Regina to Manitoba, 152 miles.

Saskatoon towards Calgary, 175 miles.

Prince Albert to Battleford, 132 miles.

West boundary Manitoba to Rosthern, 100 miles.

Rossburn line, west boundary of Manitoba, northerly direction, 50 miles.

These were all guaranteed at $13,000 per mile.

3. The Canadian Northern Ontario Railway Company, Chapter 6, 1 and 2 George V, 1911:

The guarantee is for the principal of £7,493,835 12s. 4d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from May 19, 1911, interest payable half-yearly—1,050 miles.

4. The Canadian Northern Alberta Railway Comapny, Chapter 6, 9-10, Edward VII, 1910, as amended by Chapter 8, 2 George V, 1912:

The guarantee is for the principal of £647,260 5s. 6d. sterling debenture stock and interest thereon at the rate of 3½ per cent per annum for fifty years from May 4, 1910, interest payable half-yearly: $13,000 per mile for the first fifty miles; $25,000 per mile for the balance from St. Albert westward.

5. 2 George V, Chap. 7, 1912: Canadian Northern Alberta, 115 miles to Yellowhead Pass, $35,000 a mile—$4,025,000.

Here is a summary of these Dominion bond guarantees:

1903, £1,923,287 0s. 0d.; 1908, £1,622,586 19s. 6d.; 1911, £7,493,835 12s. 4d.; 1912, £647,260 5s 6d. £11,686,969 17s. 7d., or $56,915,539. 2 George V, Chap. 7, $4,025,000. Total, $60,940,539.

What has Manitoba done for the Canadian Northern Railway Company system, because they never stop? It is first the Dominion and then the provinces. The following table gives the guarantees by Manitoba.

Main and branch lines in Manitoba	$15,313,860 00
Winnipeg terminals	3,000,000 00
Ontario division (line to Port Arthur)	5,745,586 67
Total	$24,059,446 67

The following table shows the bond guarantees given by the province of Alberta:

1909, chapter 14, Canadian Northern railway; 1913, chapter 8, Canadian Northern railway, 900 miles at $15,000 per mile	$13,500,000
1911, chapter 19, Canadian Northern Western railway:	
315 miles at $15,000 per mile	4,725,000
250 " 20,000 "	5,000,000
480 " 13,000 "	6,240,000
100 " 15,000 "	1,500,000
118 " 13,000 "	1,534,000
1913, chapter 9, 2nd session, 114 miles at $25,000 per mile	2,850,000
Total	$35,349,000

The following table shows the bond guarantees given by the province of Saskatchewan:

1908-12, Canadian Northern Branch lines:	
1,115 miles at $13,000 per mile	$14,495,000
1912, Canadian Northern Saskatchewan railway:	
315 miles at $13,000 per mile	4,095,000
Total	$18,590,000

Then, the province of Ontario, prior to the amalgamation of the Ontario and Rainy River railway with the Canadian Northern Railway system, guaranteed, under authority of 8 Edward VII, chapter 47, the principal and interest at 3½% per annum, debenture stock, payable in thirty years from June 30, 1908, $7,860,000.

The following table shows the guarantees given by the province of British Columbia:

A guarantee of principal and interest at 4 per cent per annum on approximately 600 miles at the rate of $35,000 per mile for 30 years	$21,000,000
1912, Vancouver terminals	10,000,000
1913, chapter 57, section 2, s.s. a, b, c and d, 339 miles at $35,000	11,865,000
1914, legislation, about	5,100,000
Total	$47,965,000

Let us crystallize the subsidies, and see what they come to. The following table shows them:

Dominion:	
Canadian Northern railway, including:	
Winnipeg Great Northern	$ 374,606 00
Port Arthur, Duluth and Western	271,200 00
Ontario and Rainy River	1,534,526 00
Canadian Northern Ontario	2,255,872 00
Canadian Northern Quebec	2,020,616 89
Canadian Northern Pacific 1912, Yellowhead to Vancouver	6,300,000 00
Canadian Northern Alberta	2,589,600 00
Edmonton Yukon Pacific	160,000 00
1913 subsidy	15,640,000 00
Municipalities	172,000 00
Total	$31,318,420 89
Provincial:	
Ontario	2,001,413 00
Manitoba	641,575 00
Quebec	3,413,541 03
Total	$ 6,056,529 03
Sum total	$37,374,949 92

I defy you, Sir, to find that amount in the statement issued by Mackenzie and

Mann. I want to be fair to them. They say that what I am dealing with is the amount granted, not issued by the Dominion of Canada, not the amount by the Dominion actually paid over to them. That can be determined by deducting from the sum total the amount in the hands of the Government. What I want to say, however, is that the Dominion is behind this undertaking. Here is the recapitulation of the whole statement:

Land Grants:		
Dominion		$ 29,392,404
Ontario		10,000,000
Quebec		3,000,000
Bond guarantees:		
Dominion		60,940,539
Manitoba		24,059,446
Alberta		35,349,000
Saskatchewan		18,590,000
Ontario		7,860,000
British Columbia		47,965,000
Subsidies granted:		
Dominion and municipalities		31,318,420
Ontario		2,001,413
Manitoba		641,575
Quebec		3,413,541
Total		$274,531,338
Loan given by the Nova Scotia legislature to the Halifax and Southwestern of $13,500 per mile, for 372 miles		5,022,000
Subsidies granted to Bay of Quinte	$159,228	
Central Ontario	219,018	
Iredale, Bancroft and Ottawa	250,569	
James Bay	27,612	
		656,427
Sum total		$280,209,765

That shows that the Dominion of Canada is behind this undertaking to the extent of $280,209,765. What has this company done for Canada? I have heard considerable to-night from the Solicitor General, who, with that eloquence that always characterizes his utterances and with that effectiveness of speaking that at times stamps a fallacious argument as being effective, made the statement that the Canadian Northern Railway Company was a competitive railroad and that it would lower or regulate rates. If I have not quoted him correctly or given the spirit of his language, I would like him to correct me. I understood him to say that while the National Transcontinental railroad would never be a regulating factor owing to the cost of construction, the Canadian Northern Railway Company would be. I want to take him on his own statement, and I want to quote, in reply to him, not what the Canadian Northern Company say when they want further assistance from the Government, but what they said when they wanted to keep up freight rates. I want to quote what the Hon. Mr. Phippen argued before the Railway Commission on the Consolidated Western Freight Rates Case. Mr. Phippen said no doubt what he did say with the approbation of the management and control of the Canadian Northern railway system. Their officials were there. Here is what Mr. Phippen said:

All of the evidence and ninety-nine per cent of the argument has been directed against the Canadian Pacific Railway Company. We have hardly heard the name of the Grand Trunk Pacific Railway Company mentioned, we have hardly heard the name of the Canadian Northern Railway Company mentioned by the Complainants. It has been avoided by them as a thing accursed. Their whole case is built up, with the exception of some statements which Mr. Pitblado made, and which I will deal with later, upon conditions which exist on the Canadian Pacific railway. The expert brought by the Government, Mr. Muller, says that the Canadian Pacific railway should be the road upon which these rates should be based, and the rates upon which the Canadian Northern should be compelled to carry its traffic.

He says further, that in determining what are reasonable rates for the Canadian Pacific railway this board should not take into consideration any benefits which were given to the Canadian Pacific Railway Company under its agreement with the Government, except perhaps the land grant of twenty five million acres. He says that the Canadian Northern railway, constructed at a time when, putting it moderately, it took $3 to get the same result as $1 would bring when the Canadian Pacific was constructed, should be compelled to compete with the Canadian Pacific Railway Company, not only upon the basis of the Canadian Pacific turning over to the public the benefit of all the advantages which were given to it under the terms of its contract, but turning over also to the public the benefit of the increased value of the dollar which went into the road, in other words, the unearned increment of the Canadian Pacific Railway Company between the time when that road was constructed in 1881, and the heyday of prosperity when the Canadian Northern and the Grand Trunk Pacific Railways were built.

Now, let us see a little more minutely just what that would mean. Let us take the Canadian Northern beginning at Port Arthur and follow it west, and as we go let us apply Mr. Muller's theory to the conditions with which he would have us compete. We start at Port Arthur and we build to the Red river through probably as expensive a bit of country to construct a road in as there is in Canada. We build that line at the request both of the Government of the province of Manitoba and the Government of the province of Ontario, and we build the line necessarily alongside the line of the Canadian Pacific railway at the request of these provinces as a competitive line to meet Canadian Pacific railway conditions. What would Mr. Muller make conditions under which he would have us compete? The Government of the Dominion of Canada built the line of the Canadian Pacific Railway Company and presented it to the company under the terms of the agreement of 1881; The Canadian Northern railway built the line which it operates out of its own

money, raised on its own bonds, guaranteed, if you will, by the province of Manitoba, but bonds for which it primarily and the people of the province of Manitoba secondarily are responsible. Mr. Muller would say that we must compete with the Canadian Pacific railway line which was presented to it on the basis of there being no capital charge for the construction of our line.

Now, let us come to the city of Winnipeg, where the Canadian Northern has acquired central and expensive terminals, one part of which is not in use at the present time, but which will be brought into use almost immediately and which part also has been valued by some of the best experts in the United States within the past few days at $7,000,000, and what do we find? The Canadian Pacific Railway Company received not only a perpetual exemption from taxation from the city of Winnipeg, but it received its terminals in that important city without any charge or cost to the company.

The Canadian Pacific built from Winnipeg when there was scarcely a settler in the country, it obtained its right of way for nothing or practically nothing until it came to range 14, some 80 or 90 miles west of the city of Winnipeg. Then it ran into the Northwest Territories of Canada, and under the terms of the agreement between the Government and the company from there to the eastern boundary of the province of British Columbia it received a right of way 150 feet wide for nothing; not only that, it received its terminals and its station yards through all these important cities through which it now passes, for nothing. But it did more than that, it got half interest in all the town sites along the line. However, leave that out of the question. It got its right of way for nothing, it got its terminals and station grounds for nothing. Yet Mr. Muller would have the Canadian Northern, built by its own bonds, compete with the Canadian Pacific. He would have it build its line and but its right of way when three dollars represent only the value of one dollar, and would say that what it paid for its right of way shall not be taken into consideration as a capital charge when competing with the Canadian Pacific railway

More than that, the Canadian Pacific from range 14 built its lines under the terms of the contract, by virtue of which the company, its capital stock, its stations, its buildings, its right of way, its lines, its improvements of all kinds, every asset that man can think of, were exempted for all time from all taxation, municipal, provincial, Dominion or otherwise, and so firmly was that exemption fixed that when the boundaries of the province of Manitoba were extended from range 14 to range 29 the extension was made subject to the tax exemption of the Canadian Pacific Railway Company. So that to-day and for all time by part of what is now the constitution of Canada the province of Manitoba is deprived of its right to tax the Canadian Pacific railway assets between range 14 and range 29 in that territory. Mr. Muller would say that the Canadian Northern and the Grand Trunk Pacific must not only do the other things I have mentioned, but must pay taxes, municipal, provincial and Dominion and compete without this being taken into account.

You gentlemen have all travelled over the line of the Canadian Pacific railway through the Fraser Canyon. You all can form an estimate of what it cost to build the Canadian Pacific railway through that territory. Across the canyon you see the Canadian Northern working along what is probably the most difficult place where God permitted man to build a railway; you see the Canadian Northern building a line between Kamloops and Vancouver which must cost—I am speaking now as an estimate, not by the book—at least $100,000 to $125,000 a mile to build. Mr. Muller would say that the Government-built Canadian Pacific from Kamloops to Vancouver—the Government presented that line to the Canadian Pacific Railway Company—and the Canadian Northern railway should both have their rates fixed by the same standard; that the capital which the Canadian Northern has expended in building this most difficult piece of line should not be taken into consideration but should be provided Heaven knows how; that the company should compete with the Canadian Pacific Company on the basis of that section of the line costing nothing.

I go further to Vancouver. When the Canadian Pacific reached what is now the thriving city of Vancouver it reached a wilderness. Under the terms of its contract it had a right to all the water front it required and to all the land it required for its terminals. It took advantage of that provision to the full. Where we must buy into a city where real estate is, to say the least, not given away, where we have to buy the Canadian Pacific received its terminals for nothing, received its water frontage for nothing, and received hundreds of acres in the city of Vancouver, which it is now disposing of for millions of dollars, for the betterment of its line. Yet Mr. Muller and Mr. Bicknell would have the Canadian Northern compete on the basis of there being no capital allowance for those advantages.

Going further still, the Canadian Pacific in addition received 25,000,000 acres of land as a land grant, and while Mr. Muller by his theory would not compel the Canadian Pacific to apply the proceeds of the land in reduction of its capital—I do not know why, unless he had reached the point by this time where it was a reductio ad absurdum, and he saw if applied there would be nothing left but rather that there would be something on the other side of the ledger and the company would have to pay the public dividends—I say if that was not so I do not see why he did not compel them to apply the proceeds of the land grant in the construction of the line, but although he did not compel them he did not prevent them from so doing.

And what do we find today? We all saw the amount of the issue made by the Canadian Pacific a few days ago. By that issue, as I understand it, the Canadian Pacific disposed of approximately $50,000,000 (I have not the figures in my mind) of relatively short day notes secured on the proceeds of sale of their land, to bear interest at 6 per cent, and to be redeemed over a period of ten years; to be redeemed at par meanwhile during the ten years by drawings and at the end of the ten years outstanding notes to be redeemed at par out of these proceeds; the notes being given to the present shareholders of the company at 80. What does that mean? It means that $40,000,000 are taken from the land grant assets of the Canadian Pacific railway and put into the capital account of the road. It means that that $40,000,000 won't draw one dollar

from the operating revenue of the road, because its interest and principal are to be repaid out of the proceeds of the land sales, and when the transaction is cleaned up, when those notes have been redeemed, the effect of the transaction will be this, that the Canadian Pacific railway will have received $40,000,000 which it has applied in the betterment of its road, and its outstanding obligations will not be increased one cent, because the investment will have been repaid out of the proceeds of its land sales.

It is quite possible for the Canadian Pacific to do this. According to the statements put in by Mr. Muller it has done it in the past to the extent of many millions of dollars. Doubtless it will continue to do it in the future.

I am not blaming the Canadian Pacific for adopting this policy. So far as the public is concerned, it is a good policy. But it simply means that when the Government gave 25,000,000 acres of land to the Canadian Pacific railway it put a club in the hands of that company which it can wield over the head of any unfortunate company which comes in competition, by using, if it chose, the proceeds of these land sales to reduce its capital charges, to reduce its operating expenses, to make the apparent return on its stock so great as to invite public attack against its rates, and to bring down in the wreck which might follow rate reduction any unfortunate minor competitor who might happen to be in the field—notwithstanding all this, Mr. Muller would apply his theory. The Government made that possible. You may say that the same Government made it possible indirectly in a much smaller way for the Canadian Northern to do the same thing. We bought a charter, that of the old Hudson Bay railway, which carried with it a land grant, and we do show in our assets some 800,000 acres of land and the proceeds of sale of other land, our total grant amounting to two million acres, which we have used in promoting the welfare of our road, and to that extent there is a comparison. But the comparison of the two million against the twenty-five million, the comparison of nothing against the millions we have had to spend in Vancouver, and the other comparisons which I have made show that if the theory which Mr. Muller advocated is to be adopted it would be impossible for any other railway company ever to construct a line in Canada in competition with the Canadian Pacific Railway Company. It would be absurd to suggest that any railway company on its own merits could attempt to construct a line such as the Canadian Northern has built against conditions I have pointed out, conditions which would exist as competitive conditions if Mr. Muller's theory be accepted, and the assets be considered as gifts by the public to the public and not as inducements to the construction of the Canadian Pacific railway.

That was not the intention of Parliament. That it was not the intention is shown by the fact that the Parliament of Canada and the legislatures of the various provinces have assisted in the construction of the Canadian Northern railway in a competitive field where the company must die if this condition existed. Therefore I say that when you are considering what will be done with these assets, when you reach the point that you must consider them either in this investigation or hereafter, you must consider the fact that Parliament did not intend that these assets should be given by the whole of the public to a part of the public, but that they were given to the Canadian Pacific railway as a company, otherwise competition is dead and the Canadian Pacific railway would be the only railway in Canada for all time, unless a road were constructed by public money and operated by the public for the public as a public road.

Now, Sir, what does that mean? It means simply this, if I understand it, that while we have taken freight rates out of the competitive field by entrusting the determination of those rates to the Railway Commission, the officials of the Canadian Northern railway and the officials of the National Transcontinental take the position that the freight rates should not be determined by the road that can most cheaply carry the traffic but should be determined by the road which finds it most expensive to operate; that the credit of Canada is so interlocked and bound up with these railroads that the Railway Commission can do nothing that would indirectly affect the rates because if they do they would impugn and possibly overthrow the national credit. I wish to direct the attention of the House, while we are on the question of transportation to the statement of Mr. Smithers, made the other day at the annual meeting of the Grand Trunk Railway Company. He said:

> Mr. Smithers said he felt the Railway Commission must have had the Canadian Pacific more particularly in their minds, because the Canadian Pacific was defending itself against a reduction in that which it had enjoyed ever since its birth.

Let me draw attention to the fact that the Railway Commission had ordered the railway freight rates to be reduced. Here is what Mr. Smithers said:

> The effect may be less than is now estimated and there may be compensation in increased traffic, but if we can show these reductions, although they can be borne by a neighbouring rich company, have imperilled the earnings on which we ourselves relied when we entered into agreements with the Government, I am sure the Government will have the support of the Canadian Parliament in either restoring rates, or compensate us in some way for the loss involved.

I submit that these extracts prove conclusively that the question of freight rates must be dealt with not from the standpoint of competition; the matter must be adjusted, if the national credit is to be maintained, by determination of such a rate as will enable the transcontinental companies to continue.

That brings me to another point, and it is here that again I find my divergence with the Government. I was not a member of this House in 1904 or in 1908, but I was taking some little part in politics in King-

ston and the surrounding districts at that time, and there rings in my ears yet the statement of the right hon. leader of the Government and his confreres, that, if Canada were to support the cost of building a railroad, we should own and operate it. The Conservative party, as I understand it, were pledged to Government ownership and Government control. In the debate that took place in this House in 1903, the right hon. leader of the Government of to-day made the remark: I do not shrink from Government ownership and Government operation. He went further and moved a resolution, in the support of which he said that he regretted that the Transcontinental Bill then going through the House would put back Government ownership 50 years. I am not going to discuss the advisability of expediency of Government ownership; that is a matter that may be discussed at another time, but what I do say is that, if my leader turns sharp corners and sees new light, and I do not see that light, I see no reason why I should be held up to the contempt and ridicule of the Conservative party because I go on my way unperturbed, holding my allegiance to the principle that he upheld in 1903. I believe that the Government of this country has to face a great problem. I do not believe that the National Transcontinental railway from Winnipeg eastward will ever be taken over by the Grand Trunk Pacific Company; I believe that the interest charges on the cost of construction will be prohibitive.

Mr. MORPHY: Upon what does the hon. gentleman base that belief?

Mr. NICKLE: Upon the arguments advanced by the Conservative party in this House during the course of the National Transcontinental railway debate a few weeks ago and upon a statement which I propose to read in a few moments. I am not sure whether the hon. member for North Perth spoke on that occasion, but I have a hazy recollection that he did. If I understood at all the import of that debate, the whole anathemas of the Conservative party—and certainly the anathemas of the Solicitor General to-night—were directed against the Liberal party because the cost of the construction of the National Transcontinental railway had rendered nugatory the competition factor in the question of the determination of railway rates in this country.

In 1911 a singular thing took place in this country. Politically I am not very much interested one way or another with this railroad question; I am not particularly concerned whether the Liberal party or the Conservative party are to blame for the difficulties in which we are. To me it is simply a business proposition. I am trying to look forward, and looking to the future this is what confronts me. In 1911, as I say, a startling thing took place in Canada. The West, outside of British Columbia and Manitoba, went practically solid for the Liberal party, and Ontario, a great industrial centre, went practically solid for the Conservative party. What do we find? Since that time I have sat in this House and if I have listened to one thing more than another it has been the complaint of the western members about the condition of the western country. Canada lies like a huge dumb-bell, if I may use the expression, one end on the Atlantic, the other end on the Pacific, and between these extremities a narrow district, not thickly populated. The West, as I understand its position, offers three solutions to the difficulty: free wheat, free agricultural implements and, to a certain extent, an increase in the British preference. If I understand the position of the West, it is this: they have little sympathy with protection because they have very few industries. In my judgment, if this country is ever going to become a great country, East and West must co-operate. The East must sacrifice for the West and the West must sacrifice for the East. I am not going to discuss free wheat; I am not going to discuss free agricultural implements, but one thing that struck me when these subjects were under discussion in the House was that the question of freight rates became an important factor. I find that the question of freight rates in Canada is necessarily of more importance than it is in the United States, for several reasons. Our population north of lake Superior is practically nothing, so far as contributing to the upkeep of a railway is concerned. In the states to the south there is quite a dense population. They have a well-regulated railway system, and it is economically managed; more so than our railway system, because the rigours of their winter are not so acute as ours. Those who know anything about railway operation know that in a country with a climate such as Canada has it is more expensive to operate a railway than it is in a country like the United States, where similar clima-

tic conditions do not prevail. Another factor that enters into the cost of operation is the question of coal. The Canadian railway companies must pay a duty of fifty-three cents a ton upon their coal; the American roads do not have to pay that duty and the result is that their roads are more cheaply operated than the Canadian roads. When the American roads are taken in hand by the Interstate Commerce Commission, they are going to be compelled to lower their rates, and when they are compelled to lower their rates discontent in the western provinces will be more rife than it is to-day, because the western provinces are compelled practically to confine themselves to the production of wheat, which they send abroad, and they must necessarily pay more for the products which they buy because they come from the East. The hon. member for one of the Bruces asks me if I approve of the taking out of watered stock. Frankly, I think that that has got to come. We are squeezing some of the water out of the Canadian Northern and when the Interstate Commerce Commission gets hold of the American roads, some of the water will be squeezed out of them. I am not going to be so blind as to say that there is absolutely no virtue in the Government's proposal. I frankly admitted when I got up that I do think there are certain advantages in it, but I do say that fundamentally I do not agree with it and on that ground I am arguing my case to-night.

I want to take up another phase of this question. If you will turn to the census returns for 1911 you will find that the province of Alberta had a population of 374,000, Saskatchewan 492,000, and Manitoba 455,000, a total of 1,322,000. Ontario had a population of 2,500,000. The rural population of the three prairie provinces was 849,000, and of Ontario 1,200,000. The urban population of the western provinces was 473,000; of Ontario, 1,300,000. The value of the agricultural products in 1910 in the three western provinces was $229,000,000; in Ontario it was $314,000,000. The manufactured products of the West were $78,000,000; of Ontario $579,000,000. The value of the agricultural and manufactured products of the three western provinces was $307,000,000; of Ontario $893,000,000. Now, Sir, I want to reduce that to a per capita production. The total products per capita of Alberta, Saskatchewan and Manitoba were $232; of Ontario $355. The agricultural products per capita of the rural population of the three prairie provinces was $263; of Ontario $261. You will observe that the per capita production of the western provinces and of Ontario was practically the same in dollars, but as the cost of living is very, very much higher in the western provinces than it is in Ontario, the advantage to the farmer of the West was greatly reduced on that account. Let us look at the area under cultivation in the West and in Ontario. The area farmed in the West was 17,000,000 acres; in Ontario it was 9,000,000 acres. The value of the products in 1910 of the three western provinces was $229,000,000, and of Ontario $314,000,000. The value of the products of each acre farmed in Manitoba and the West was $13 only, while in Ontario it was $32. That is to say, the western farmer received only 40 per cent from each acre of what the Ontario farmer got. Why was that? It was not that his land was any less fertile. The reason is that he is restricted in the production of his crop to grain, the market of which is in Liverpool and the price of which is determined abroad. As I say, in 1911 the strange thing happened that Manitoba and the West went solidly Liberal and Ontario went solidly Conservative. I see a national danger there. My reason for advocating that the Government should take over these roads is that I believe that the problem for Canada is: Can we not develop some transportation solution that will place in the western provinces the raw material of the East so that we may have manufactories in the West. It is all very well for men in Ontario connected with manufacturing to say that they are in favour of protection; they want protection against the highly organized and efficient industries of the United States. I am an Ontario man, and as an Ontario man I make an appeal to this House for consideration for the West. They have no industries there, it is difficult to start them. They tell me that the moment they try to do so the efficiently organized industries of the East come into competition with their less efficiently organized industries and throttle them by competition. What I would like to see would be for the Government to take over these two railroads, the National Transcontinental railway and the Canadian Northern railway.

An hon. MEMBER: The Canadian Pacific railway too?

Mr. NICKLE: You ask me why not the Canadian Pacific railway. The reason I say not the Canadian Pacific railway is that if I have proved anything to you to-

night I have proved this, that the Canadian Pacific railway can give a cheaper rate than either of the other two railroads; they can stand the competition and the cut, and in my judgment there is only one way that the Canadian Pacific railway will ever have to stand a cut and that is by the competition of a railroad operated and controlled by the Government. Government competition, a railroad run by the Dominion of Canada, where the capital charge will not have to be considered, where raw materials can be given a differential rate, where there will be a certain subvention that will enable the western manufacturer to get his raw material cheaper,

11 p.m. so that the farmer in the West can have a local market and the purely distributing population that exists in the centres of the West to-day may become an industrial population. I believe when the time comes that the West has its industries, the cleavage between the West and the East will be done away with and there will be a tendency from segregation towards cohesion throughout Canada from end to end.

There is another factor in this question which I wish to discuss, that is the general railway situation in Canada. Mr. Hanna's figures were quoted here to-day. I would quote some more of the Canadian Northern railway figures as to the railway situation in Canada, the figures of the Canadian Northern railway not when they want a Government subvention but when they wanted to maintain rates. Let us see what Mr. Phippen said to the Railway Commission:

> Now, Mr. Chairman and gentlemen, this brings me to my last consideration, the general situation in Canada as it is to-day, and I hope that my statement will not be unduly emphasized by the press, but I must give this Board facts which I think will give cause for thought to every member of the Board.

And, Mr. Speaker, if I mistake not these facts will give every member of this House cause for thought:

> I produce a statement showing the capital invested and to be invested to complete the transcontinental lines at present constructed and under construction.
>
> The figures for the Canadian Pacific railway are taken from the statement Mr. Chrysler filed yesterday, $635,000,000 odd.
>
> Grand Trunk Pacific railway $175,000,000.
>
> These figures are furnished by Mr. Biggar. They are conservative. I regret to say there will probably be an addition of a further $25,000,000.
>
> National transcontinental, $200,000,000.
>
> This I obtained from a high official in the Finance Department. The cost of the transcontinental without equipment will be $200,000,000. This is a cold fact, and food for much thought. It is a little over $100,000 a mile. This money has been found or must be found. Some one must pay interest.
>
> The Canadian Northern Pacific, 600 miles, I have estimated. It is my own estimate. It is not based on actual cost or on information given me by any officer of the road. I think I am low, but I wish it taken as simply my own estimate. I have tried to make it reasonable. $80,000 a mile. That is for the British Columbia work and is not excessive when the Grand Trunk Pacific cost $87,000 on the prairie. At the estimated mileage this amounts to $48,000,000.
>
> Canadian Northern Ontario north of lake Superior. Again this is my own estimate. The mileage is right. $50,000 a mile through this country is not, I think, excessive. That would be $45,000,000.
>
> Additional equipment for Grand Trunk Pacific railway and National Transcontinental. I have that from authority. $40,000,000.
>
> Additional equipment for Canadian Northern. I have that from our own officers. $35,000,000.
>
> Or a total cost of $1,178,229,094.
>
> Leaving out the Canadian Northern railway, which I deal with a little lower down. I take the net earnings of the Canadian Pacific Railway Company, according to the last report, which were then stated as $42,403,340.
>
> Net earnings of the Grand Trunk Pacific railway, as shown under its operating statement, $2,691,402.
>
> Or a total from these two companies of $45,094,742.
>
> From which I deduct Canadian Pacific taxes shown as $1,362,420.
>
> Leaving a net operating revenue of these two roads of $43,712,322.
>
> To which I add the surplus earnings of the Canadian Northern shown in the last annual report as $400,000.
>
> Giving the total of all net earnings, over and above what is necessary to provide for the outstanding obligations of the Canadian Northern road of $44,112,973.
>
> This added to the above gives a net earning of 44 million dollars to pay interest on $1,178,229,000, and also to provide for such margin of safety as may be necessary to enable those companies to maintain their credit.
>
> Let us see what all this means. Mr. Muller says six per cent is fair. Six per cent on the billion odd amounts to $70,693,745.
>
> For which there is available as above, 44 million dollars.
>
> Leaving a deficit of $26,580,000 a year.
>
> This is not prophecy, it is cold fact.

And the Government rush us into partnership with the Canadian Northern railway! If Mr. Hanna's figures are correct, Mr. Phippen's argument is false; if Mr. Phippen's figures are correct, Mr. Hanna's estimates are wrong. And did you read the note to his estimates? Could anything be more vague, more uncertain? What does he say: it is a guess in the dark; I hope it will turn out all right, but I am not going to pledge my

word. If it does not turn out all right, what is going to happen to Canada? She has entered a partnership and is bound to see the thing through, no matter what it may cost. Last year they told us that a $15,000,000 subsidy would complete the road, and this year they tell us that $45,000,000 will complete it. 'Once bitten twice shy' is a proverb worthy of remembrance by governments as well as by men.

There is another side to this question to which I wish to direct attention, and this is perhaps just a bit personal. I do not know exactly whether it is fair that I should bring it up, and yet the conduct was so outrageous that I think it is only fair that the House and country should know how some men fight. There is such a thing as a fair fight. A fair fight is the kind of fight a man should fight who has felt the approving touch of His Majesty's sword. There is the fight of a knight who should always remember the order to which he belongs; he should have a fair tilt in an open field. He should realize what fair play is, and should not strike below the belt. When this despatch appeared in the Kingston Whig I stood aghast. I want the House to listen, because within the last year men have been hurled from the legislatures of the provinces of Quebec and Ontario because they accepted bribes, because they yielded to the influence of money, and I want to know what is the opinion of this House of men who do not use money, but threats to win their purpose. As I said, when the first move was made by the Mackenzie and Mann interests in the lobbies of this House to secure Government assistance, I was somewhat outspoken in how I felt in regard to the matter. Here is the telegraphic despatch that appeared in the British Whig, Kingston, dated March 9, 1914:

Not Inclined to be Favorably disposed towards Kingston—W. F. Nickle's Stand is not Relished by the Canadian Northern Railway President whose Company it was Thought Could be Interested in Establishing a Terminal Here for Transhipping Coal From Oswego.

It is reported from Ottawa that Sir William Mackenzie, of the Canadian Northern Railway Company, is not inclined to be favourably disposed towards Kingston with regard to railway facilities here in view of the announcement that its member in the commons, W. F. Nickle, is out so strongly against any further government assistance towards the completion of the Canadian Northern railway line. When some one approached him with regard to the establishment here of a terminal so that coal could be shipped via Kingston from Oswego, New York, he is reported to have said that the Canadian Northern railway could hardly be expected to consider projects that would benefit this city when its representative was inclined to be antagonistic to the interests of that road.

I try to fight fair, and to be perfectly sure that I did the gentleman no injustice. I got a second copy of that paper, and, under date of March 12, I sent the following registered by mail to Sir William Mackenzie:

March 12, 1914.

Sir William Mackenzie,
Chateau Laurier,
Ottawa.

Memorandum for Sir William Mackenzie's information.

Enclosure: Clipping from 'The British Whig,' Kingston, March 9, 1914,

W. F. Nickle.

And the report of the Post Office is that Sir William Mackenzie signed for this on the 15th of March. To this day he has never answered that letter, has never repudiated that interview, and therefore I think I am justified in saying that Sir William Mackenzie justifies that method of fighting. I want to give this House an illustration of how he fights. In Kingston there is a great railroad industry called the Canadian Locomotive Works Company. The man that gets a preponderate share of its vote is as sure to be elected as day follows night. Sir William Mackenzie's emissaries reported in Kingston that their companies would give no contracts to the Canadian Locomotive Works Company, as Kingston's member was unsympathetic to their request for assistance. In a period of industrial stagnation when that became known in Kingston, women held their children to their breasts, dreading the pangs of hunger and of frost, but a thousand times better that I should be removed from the public life of Canada than that women should go cold and children suffer. But I want to say this for those men: no man raised his voice in protest but one. What is democracy coming to when the plutocrats can so tyrannize over the representatives of the people? Does free speech amount to anything? First they tried coercion here, then they tried other influences What do they do? Take my own seat, which I hold so dear because if there is one thing that I have been proud of more than anything else in my public life it is that I had the satisfaction of redeeming that riding when Sir Wilfrid Laurier was in power. I won that seat after seventeen years of Liberal rule—for the first time in a general election since Sir John A. Mac-

donald went to his grave. Are the representatives of the people to be throttled? Better a thousand times that I should go out of public life than that Mackenzie and Mann should put their hands on my throat, and make the public think a man dare not stand up and express his conviction in this House. Why, Sir, the day the Government brought down this measure, on my way to the Chateau Laurier I met Sir William Mackenzie. What did he say? 'Why don't you go over to the Opposition?' That is his idea of freedom within a party. He thinks there is no room for independence in Canadian politics either on one side or the other; do not express your honest convictions if you cannot express them in favour of your party, is his motto. Might I not say in the words of Shakespeare:

> Why, man, he doth bestride the narrow world like a colossus;
> And we petty men walk under his huge legs,
> And peep about to find ourselves dishonourable graves.

I would sooner have honourable defeat than mean victory. I would sooner go down to defeat in Kingston, if I am a candidate in the next election, than I would be in Mackenzie's shoes and so far forget the order to which I belonged as to adopt the tactics of the South African savage and blow a poisoned dart into the back of an unsuspecting enemy. So much for that, and that is personal. Gentlemen may laugh. Some man behind me laughs, but he does not know what it is to suffer. Let him stand where I have stood for the last three weeks and see whether he will laugh. I do not profess any virtues, but as I said when I accepted the nomination, I reserve the right to think and speak for myself. If party government in this country has got to such a stage that within a party there is no room for independence, that a man must agree with his party on the fundamentals and also on the incidentals, then I say to this House that so far as the member for Kingston is concerned, give me the freedom of an elector rather than the fetters of the elected. As I said before, I do not differ from the Government on fundamentals. I have been as careful to-night as any man could be not to go outside the pale of my party. I am just as good a Conservative to-night, in so far as my inclinations and tendencies go, as I was thirty years ago when I learned my politics at the knee of Sir John A. Macdonald.

But here is where I differ. I am opposed to going into partnership with Mackenzie and Mann, just the same as I am opposed to going into partnership commercially with people I do not trust. I think they will do the Government in the long run, but if they do not do the Government let us see where the Government has placed us. It is admitted that this one hundred million dollars is practically all watered stock. You may say that is not so, but I submit that it is, and I think one can easily prove it. For instance, I will refer to their statements with regard to two of the companies. It is a very difficult thing to get at the bottom of the position of these companies for the reason that many are incorporated either by private Act or by Dominion letters patent, and under the Dominion Companies' Act they do not have to make annual returns, and so when you ask any question of the department, with the object of getting information, you are confronted with the fact that there is no information to be had because no returns are published. But in Ontario that is different, and there are two companies, the Canadian Northern Coal and Ore and Dock Company, Limited, and the Lake Superior Terminals Company, Limited, that are incorporated under Ontario statutes. Here is the return for the Canadian Coal and Ore Dock Company, Limited:

The amount of capital of the company and the number of shares into which it is divided—$500,000 divided into 5,000 shares of $100 each.

The number of shares subscribed for and allotted: 5,000.

The number of shares, if any, issued as fully paid shares as consideration for the transfer of assets, good will or otherwise; if none are so issued the fact to be stated: 5,000.

The amount of calls made on each share: none.

What does that mean? All water. And that statement is signed by Z. A. Lash.

Now, let us look at the return of the Lake Superior Terminals Company, Limited:

The amount of the capital stock of the company and the number of shares into which it is divided: $1,000,000, divided into 10,000 shares of $100 each.

The number of shares subscribed for and allotted: 5,000.

The number of shares, if any, if it has fully paid shares as consideration for any transfer of assets, good will or otherwise; if none are so issued, this fact to be stated: 5,000.

The amount of calls made on each share: None.

More water.

And, Sir, if one wants a startling statement one need only take up the report into the inquiry of the tariffs of express companies. The inquiry was made in 1911 and reading it one gasps at the financing of this company.

The stock of the Canadian Northern Railway Express Company is now owned by the Canadian Northern Company and is included among its assets. I read from the report of that inquiry before the Board of Railway Commissioners:

> This company was incorporated in 1902, with a nominal capital of $1,000,000; $300,000 was issued, $5,000 paid in cash and $295,000 paid up stock issued to the following shareholders:
>
> William Mackenzie, Esq., 1 share of $100.
>
> D. D. Mann, Esq., 1 share of $100.
>
> Z. A. Lash, Esq., 1 share of $100.
>
> R. J. Mackenzie, Esq., 1 share of $100.
>
> Estate of A. W. Mackenzie, Esq., 1 share of $100.
>
> Mackenzie, Mann and Company, Limited, $299,500.

There was $5,000 in cash paid in, and the rest was water.

> The property of the company, consisting of general equipment, amounts at its estimate to $38,393.
>
> The iinvestigation shows that for 6 years, 1902-3 to 1907-8, their total receipts have been $919,183, increasing from $60,889 for 1902-3 to $336,708 in 1907-8.
>
> The company's operations were principally west of Port Arthur up to about three years ago, when they opened up in Ontario and Quebec.
>
> The amount of transportation paid for the 6 years is $353,126 or 38.4 on gross revenue averaging $58,854 per annum.
>
> The total general expenditure was $331,740 or 36 per cent, averaging $55,290 per annum.
>
> The loss and damage sustained is $3,893 and averages $649 per annum.
>
> The total net earnings are $234,316 or 25.5 on gross revenue, averaging $39,053, increasing from $18,995 in 1902-3 to $57,432 in 1907-8.

Then, we turn back a page and we find out from whom the Canadian Northern Railway Express Company was bought, and here is what the report says:

> The capital stock of the company authorized is $1,000,000; issued, $300,000. Of this $5,000 was paid in cash and $295,000 was issued as paid up stock to the vendors of the express business, and the rights, franchises, good will, properties, etc., connected therewith, carried on in connection with the Northern Pacific and Manitoba and allied railway companies, and for the good will, properties, etc., used in connection with the express business then done for the Canadian Northern Railway Company and allied roads.

What one would like to find is how much was given for that stock, and here is what bothers one. As I just explained, reading from the report, the Canadian Northern Express Company issued $5,000 worth of paid-up stock, and $295,000 worth of stock that was issued subject to call was given to them as a gratuity. The right hon. leader of the Government said to-day that he had a statement regarding Mackenzie and Mann, Ltd.—he read it frankly and honestly as he always does everything—he read this statement showing that Mackenzie and Mann, Limited, and the Northern Construction Company, Limited, had not made anything out of this railway. But he did not read a statement showing whether Mackenzie and Mann in their individual capacity, and not as members of the company, made anything or not, and I put my finger here on $295,000 and I say that if I manage to find that out in face of the secret system they have in their financing, how much more is there behind?

But it is not just the $295,000. I find in the Canadian Northern Report for 1913 at page 16 that the Canadian Northern Express Company, Limited, had a capital stock of $1,000,000 and they have issued first mortgage gold bonds to the extent of $3,000,000. To whom did Mackenzie and Mann sell these bonds and stock and what did they get for it? These are the sort of things it seems to me that this country would like to know and these are the questions that I would like to have answered because if ever there was a case where apparently men made a large sum of money by the juggling of stock, it is this particular case.

Somebody might say to me, and I suppose it would be in reason: You do not know anything about this; you are inexperienced; and the danger in this partnership which you see does not amount to anything. Before I touch on this point here is a thing which strikes me as a citizen of the country, and it is: Who is going to pay the money to make stock that Canada takes worth $40,000,000? The Government admit that $100,000,000 stock represents the services of Mackenzie and Mann since they undertook this railway business in 1897. Nobody pretends that they paid in anything. That has not been suggested by the leader of the Government as I understood him, nor by the Solicitor General. The Solicitor General said they had in their subsidiary allied strategic companies com-

mon stock or stocks to the amount of $158,000,000. We have not squeezed water out of that; you cannot squeeze water out of water where there is nothing but water; the Solicitor General has dipped it out.

Mr. R. B. BENNETT: Bailed it out.

Mr. NICKLE: The Solicitor General has bailed out $58,000,000, and he has brought it down to $100,000,000. What does that mean? That is Mackenzie and Mann's price as promoters for carrying on this work, acting as financial agents, acting as constructive agents. That is their price for their services for all these years' work.

Now, Mr. Speaker, I do not want you to get the idea that I think Mackenzie and Mann should not be allowed something. I certainly think they should. They are far-sighted, energetic, earnest men and they should get reasonable recognition, but I say that $60,000,000 of stock which the Solicitor General says some day will be worth dollar for dollar is too much money for Canada to pay to two men for promoting a transcontinental railway in this country. Not only is it too much for these men to get, but it is too much for Canada to pay freight rates on. Who is going to pay these freight rates? Again it has to come out of the West, not only on that $60,000,000, but on that $40,000,000 that Canada has taken as her share, if I might use the term, of the booty. Freight rates have to be paid on that. It is not like a royalty in a mine. When you take a royalty on a mineral, you take a product which is easily worked. The intrinsic value is there. It is not in the working that the value exists; the value exists because somebody is fortunate in finding the mineral and there is a huge profit; but in this case, this road on that $100,000,000 has to earn $6,000,000 annually which has to be taken out of the pockets of the people in rates, and it means that the cost of living in the West will be that much higher. What will be the argument of my good friend Mr. Phippen before the Railway Commission the next time that freight rates are being discussed? He is going to say this: In the determination of these rates, you have to take into consideration this $100,000,000. Canada through her Parliament recognizes that that is a fair amount to pay these men for their services. Canada has taken $40,000,000 of it in return for her guarantee; and we represent the Canadian Northern, and Mackenzie and Mann demand that you fix the freight rates at such an amount that there will be a fair return on the money which you must consider as capital invested. That is the policy which the Government has asked me to commit myself to, but I am not prepared to do so. The great broad principle is the principle of a partnership. You, Mr. Speaker, may say: The hon. member has no experience; he is young in Parliament so far; he was prejudiced against these men; they have struck at him and he has struck back; he is hurt. But let me establish my case in the light of history, and it is only in the experience of the past that you can reach the conclusions as to what should be done in the present and as to what will happen in the future. This is not the first time that Canada has experimented in railroad partnerships. In 1852, Upper Canada began to pay the price when she entered into a partnership with the Grand Trunk Railway Company. By the terms of that arrangement Canada was to have nine directors and the Grand Trunk were to have nine, and what was said at the time? The inspector general, Mr. Hincks, spoke in severe terms of the misrepresentations made by the enemies of this undertaking respecting the effect which it was said to have on the credit of the province. He denied altogether that the Government was interested in the slightest degree in the cost of the undertaking, whatever it might be. The province paid nothing; it would only promise to guarantee the amount of £3,000 per mile, for which it was to have the first mortgage on the road with interest at six per cent. He did not care how much the stockholders laid out on the road; the more they expended the better it was for the province. One thing he was pretty certain of, the Grand Trunk Railway Company would not ask for a single penny from the province, for they could get money in England at a much less rate than six per cent without being subject to the restrictions which were to be imposed upon them if they accepted the Government guarantee, in having directors on the part of the province.

In 1854, the Grand Trunk Railway Company came back again to the Government of the day in Upper Canada. In 1855, they came back again. In 1856, they came back again and they asked to be allowed to issue preferential bonds to the extent of £2,000,000. In 1857 the Government were so disgusted with the whole thing that what did they do? They brought in a measure to sever the connection between the executive and the commercial enterprise. Listen to what Mr. Cayley said in 1857. He was then inspector

general which is practicaly Minister of Finance:

The first object of this Bill is to dispense with the Government directors in the company. The position of Government directors has been the occasion of casting upon the Government a good deal of reflection. All the management on the part of the Grand Trunk Railway Company has been cast upon or attempted to be cast upon the Government. The position has been an unenviable one. Now we propose to do away with the responsibility of the Government, and to give the entire management into the hands of the company. It has been suggested one member of the Government in tre board with a view of exercising a supervision over its affairs, but this arrangement in the board with a view of exercising only leave to that member the same responsibility while depriving him of the advice and support of his colleagues.

In the light of the experience of Upper Canada, in the light of the economic conditions that I have laid before this House to-night, the Government ask me to support this measure. All I have to say is that I cannot see eye to eye with them. I have tried to place fairly before the House my reasons for my stand. If they are incorrect, it is open to other gentlemen to refute them; but as I have spoken, so I believe.

On motion of Mr. Boivin, the debate was adjourned.

On motion of Mr. Borden, the House adjourned at 11.30 p.m.

Thursday, May 14, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

PRIVATE BILL.

FIRST READING.

Bill No. 195, to incorporate the Canadian General Council of the Boy Scouts Association.—Mr. Currie.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

AMHERST ARMOURY.

Mr. SINCLAIR:

1. Is the Department of Public Works constructing an armoury at Amherst, N.S.?
2. If so, were tenders called for?
3. Who was the lowest tenderer, and what was the amount of said tender?
4. After tenders were received, were any changes made in the plans? If so, were new tenders called for?
5. To whom was the contract awarded, and at what price?

[Mr. Nickle.]

Mr. ROGERS:

1. Yes.
2. Yes, by Militia Department.
3. Rhodes Curry, Limited, $81,100 for a stone front building.
4. No; lowest tenderer was asked to quote price on suggested changes.
5. Rhodes Curry, Limited, for $81,100.

BARRIEFIELD CAMP.

Mr. EDWARDS:

1. Were tenders invited for the plumbing arrangements at Barriefield camp? If so, by what officer and when?
2. From whom and when were tenders received and what was the amount of each tender at the time it was received?
3. To whom was the contract awarded, and for what amount?
4. Was the contract price lower than the original tender? If so, by how much?

Mr. SAM. HUGHES:

1. Yes. Major Hughes, Royal Canadian Engineers, on or about March 20, 1913.
2. Lemmon Bros., tender received March 23—$170. Simmons Bros., tender received March 24, 11.15 a.m., but did not comply with notice for tenders in that they should have been in by the first mail delivery at 9 a.m., March 24—$165.
3. Lemmon Bros.—$170.
4. Contract price same as original tender.

HALIFAX FLOUR CONTRACT.

Mr. A. K. MACLEAN:

1. Was John Outhit and Son of Halifax, N.S., awarded the contract for the supply of flour to the permanent force at Halifax, for the year beginning April 1, 1914?
2. If so, has the said contract been terminated, and if it has, under what authority and upon what grounds?
3. Has the contract for the supply of flour to the permanent force been since awarded to any other person or firm for the year beginning April 1, 1914? If so, to whom and at what price?

Mr. SAM. HUGHES:

1. Yes, for patent flour.
2. By authority of the Minister of Militia and Defence, Messrs. Outhit and Son, were notified by letter dated April 21, 1914, that the contract would terminate on the 24th day of May next following, by virtue of paragraph 9 of the conditions of the contract, reading as follows:

The Minister of Militia and Defence may terminate this contract at any time by giving one month's notice to the contractor to that effect; or immediately, at any time, should the contractor become insolvent, or in the event of repeated irregularities by, and complaints against, the contractor.

3. A contract for the supply of patent flour to the permanent force at Halifax for

the period beginning May 24, 1914, and ending March 31, 1915, was made with the St. Lawrence Flour Mills, Limited, of Montreal, by letter of acceptance dated April 21, 1914. The contract price is $2.42½ per sack of 98 pounds, Outhit's contract price was $2.54½ per sack of 98 pounds.

When tenders for flour for 1914-1915 were first called for by public advertisement, in February last, the Halifax representative of the St. Lawrence Flour Mills, Limited, was furnished by some one in the Militia offices, Halifax, with an obsolete form of tender containing no reference to Patent flour, which is exclusively used at Halifax. In accordance with the terms of this obsolete form, the St. Lawrence Company submitted a tender for Strong Bakers flour only, at $2.32½ per sack of 98 pounds, which was accepted, being the lowest received for Strong Bakers flour. On their communicating with the military authorities at Halifax, they learned that only Patent flour, and no Strong Bakers flour whatever, was used, and that the contract for Patent flour had already been made.

As they had thus been debarred from tendering, in the first place, upon the supplies actually required, they immediately communicated the facts to the minister and quoted $2.42½ per sack for Patent flour. This being the lowest tender received, Outhit's contract was cancelled, and the St Lawrence Company's tender accepted.

LUNENBURG FISHERY GUARDIANS.

Mr. A. K. MACLEAN:

Who are the fishery wardens and the guardians for Lunenburg county, NS., and what amount is being paid to each annually?

Mr. HAZEN: Fred Emeno, $25; S. Volger, $75; Otis Bowers, $37; Solomon Teal, $37; Chas. Watters, $25; Henry Eurns, $25; Alex. Joudray, $1.50 per day; Joshua Berringer, $75; W. A. Conrad, $75; Jos. Reinhardt, $75; Jas. Kaulbach, $25; Benjamin Ramey, $1.50 per day; Timothy Lantz, $40; J. W. Langille, $40; Wm. Mosher, $50; John Croft, $40; Moran Hatt, $15; Richard Russell, $25; Emanuel Veinot, $25; Wilson Hennigar, $25; Freeman Lantz, $40; Zenas Meisner, $40; Warren Pearl, $25; Edward Publicover, $25; Albert Setters, $25; Geo. E. Jollymore, $25; Benjamin Wagner, $25; Abram Feindel, $25; Joshua Feener, $40; Wallace Thompson, $25.

LAPRAIRIE RETAINING WALL.

Mr. LANCTOT:

Referring to an answer given by the Minister of Public Works on the 20th of April regarding the construction of the protection wall at Laprairie as follows:

Schedule of prices for material approximately $70,000.

Earth filling, 40 cents a cubic yard.

Reinforced concrete $10.

Stone rip-rap, $1.50 a square yard.

Bed road, stone foundation, $1 a square yard.

Roadway, broken stone, 25 cents a square yard.

Roadway, gravel 25 cents a square yard.

Does that $1.50 per square yard for the stone rip-rap cover the work only, or are the contractors obliged to supply the stone for the price mentioned?

Mr. ROGERS: The contractors supply the stone.

WATROUS POSTMASTER.

Mr. NEELY:

1. Who is the present postmaster at Watrous, Sask.?

2. When was he appointed and has he held his position continuously since his appointment?

Mr. PELLETIER:

1. Mr. Wm. E. Wright.

2. On the 12th January, 1914: yes, so far as the department is aware.

SHERBROOKE POST OFFICE INSPECTION.

On the Orders of the Day being called:

Mr. PELLETIER: Yesterday I promised to answer a question put to me in regard to the discrepancy between two answers given by the department as to the Post Office Inspection Department at Sherbrooke. The first answer given was to the effect that the salaries of that office amounted to $4,752 a year, and the second answer made it appear that the total salaries were larger than that amount. This morning I called the attention of the officers of the department, who compared these two answers. After careful investigation, they say that the two answers are perfectly correct. The first question referred only to the new employees, and stated so specifically, and it was answered that the new employees' salaries were so much. The second question asked for the salaries of all the employees. There were three employees who were not new employees, and so the second question was answered giving the salaries of all the employees, old and new. Thus the two answers are absolutely correct.

STEAMER CANADA.

On the Orders of the Day being called:

Mr. MARCIL: In the absence of the Minister of Trade and Commerce (Mr Foster) perhaps the Postmaster General

(Mr. Pelletier) can tell me whether it is probable that the trips of the steamer Canada will be resumed. This is about the season when navigation opens, and the movements of this vessel are a matter of great importance to the Gaspé coast people. If she is not yet in a condition to be removed from the dry-dock, perhaps the hon. minister can tell me what progress is being made.

Mr. PELLETIER: I know that an inspection has been made, and I think the report is favourable. If so, I have no doubt the steamer will go into commission. I cannot speak definitely.

Mr. MARCIL: I would press upon the hon. minister the importance of this matter.

Mr. PELLETIER: I fully realize it. I was under the impression that the steamer had entered upon her work for the season. But I will draw the attention of the Minister of Trade and Commerce to the matter.

SUPREME COURT JUDGE, SASKATCHEWAN.

On the Orders of the Day being called:

Mr. KNOWLES: Is the Minister of Justice (Mr. Doherty) able to give us any information as to when he will fill the vacancy, a long standing vacancy, in the Supreme Court Bench of Saskatchewan?

Mr. DOHERTY: There is now before the House a Bill providing for additional district court judges. When that Bill is passed, I hope to deal with the whole matter.

APPOINTMENT OF HIGH COMMISSIONER.

On the Orders of the Day being called:

Mr. KYTE: May I ask the Prime Minister when he expects to fill the position of High Commissioner, which has been vacant now for a good many months?

Mr. BORDEN: When any announcement becomes necessary I will make it to the House.

Mr. KYTE: Pardon me, but I venture to think an announcement is necessary when a member representing a constituency in this country asks for an announcement. Whether the Prime Minister is prepared to give a definite answer or not is another question.

Mr. BORDEN: I stated to the hon. gentleman that when an announcement became necessary in the ordinary course it would be made. I hope he does not think it is incumbent upon me to make it merely because an hon. member rises and asks me to do so. I may not be prepared to make an announcement at the moment.

Sir WILFRID LAURIER: The question is, when will it become necessary?

Mr. BORDEN: That will be announced in due course.

Sir WILFRID LAURIER: And the announcement will make it necessary.

THE UNEMPLOYED IN MONTREAL.

Mr. LEMIEUX: I desire to ask the Prime Minister if he has received the following letter:

To the Right Honourable R. L. Borden,
Prime Minister,
Ottawa.

Honourable Sir,

No doubt you are aware of the conditions which actually prevail in Montreal. There are thousands of men applying to the city for work and although we have done all we possibly could do, we cannot supply them with what they want.

I appeal to you as head of the Government of the Dominion to help the city in relieving the present conditions by hastening the works which the Government intends to carry out in the city in the course of the next summer.

I beg to remain, Honourable Sir,

Yours faithfully,
Méderic Martin,
Mayor of Montreal.

Has the right hon. gentleman received that letter, and if so will he say what he intends to do?

Mr. BORDEN: I have received that letter, but I judge that I did not receive it as soon as my hon. friend did, for it only reached me at half-past ten this morning. I understand that the Mayor of Montreal has already professed his ability to provide employment for all persons who should make application to him. Apparently, he may have overestimated his ability in that regard, hence the letter which has been addressed to me. I have already—although, as I say, the letter only reached me at half-past ten this morning—dictated a reply in which I informed him that his communication had been submitted to the heads of the several departments.

Sir WILFRID LAURIER: In justice to the Mayor of Montreal, my right hon. friend should correct his statement. The Mayor of Montreal did not profess his ability to provide work for the unemployed, but his desire to do so, and I hope my right hon. friend is animated by a similar desire.

Mr. BORDEN: The statement appeared in the public press, but if I have misapprehended it, I desire that my statement should be corrected. My recollection of it when I spoke was, and is now, in effect what I have stated, though I have not seen it for some time.

THIRD READINGS.

Bill No. 84, to amend the Export Act—Mr. J. D. Reid.

Bill No. 138, to amend the Irrigation Act. —Mr. Roche.

CANADA TEMPERANCE ACT AMENDMENT.

Hon. C. J. DOHERTY (Minister of Justice) moved the third reading of Bill No. 180, to amend the Canada Temperance Act. He said:

With regard to the question that arose as to the applicability in Alberta and Saskatchewan of the provision of the Temperance Act under which cities are not included in the county in which they are situated, I find, upon looking into the matter, that there is no room for question that that provision will apply in Alberta and Saskatchewan without any amendment to this Bill being necessary.

Motion agreed to, and Bill read the third time and passed.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Consideration of the proposed motion of Mr. Borden that the House go into Committee to consider certain resolutions respecting the Canadian Northern railway, resumed from Wednesday, May 13.

Mr. G. H. BOIVIN (Shefford): Mr. Speaker, in rising to address the House in connection with the resolution which was submitted to us yesterday by the Prime Minister providing for a guarantee of loan of $45,000,000 to the Canadian Northern railway, I feel that my first duty is to thank the right hon. the Prime Minister for having allowed me at a comparatively early hour last night to adjourn this debate, thus not obliging me to impair the eloquence of yesterday's proceedings by my humble efforts in discussing this resolution.

Yesterday was certainly a day which will go down in the annals of the history of Canada. Yesterday this House was favoured with four excellent speeches concerning the guarantee of a loan of $45,000,000 to the Canadian Northern railway; four speeches in which this loan was discussed from, I might say, four different points of view. The speech delivered by the hon. member for Kingston (Mr. Nickle) was certainly a masterpiece. I desire to congratulate him and to thank him on behalf of members on both sides of this House for the information contained in that speech, the preparation of which, I am sure, as he said himself, required long hours of hard work and careful research—information which he placed in such a form that it is easily understood not only by the members of this House but by the people of Canada as well. I may say that I do not agree with him, perhaps, in all the conclusions at which he arrives; I cannot contend that government ownership at the present time would be the best possible thing for the Canadian Northern railway. But I do agree with him in this respect: that the agreement which is proposed by the present Government is not an agreement which should receive the support of the majority of the members of this House.

I am glad to congratulate also the hon. Solicitor General (Mr. Meighen), who, as every one knows, is the father of these resolutions, upon the able manner in which he delivered his speech, but I am sorry to say that I cannot congratulate him upon its subject matter. He rose to his feet to say that the right hon. leader of the Opposition had not understood the different clauses of this resolution. It was his duty as Solicitor General of Canada and as the father of these resolutions to explain them to the House, so that they could be understood. Did he do so? No, Mr. Speaker; he took an hour and a half of the time of this House to refute the very logical objections which were urged against these resolutions by the right hon. leader of the Opposition, who, he said, did not understand these resolutions. I am mistaken when I say 'to refute'; I should say: to attempt to refute the objections, without success. The first thing which he says is that in this agreement the right hon. leader of the Opposition found that there was no provision for amalgamation of the different companies. He tried to refute that objection, but in doing so he admitted that there is no such provision for amalgamation, and then proceeded to give us the reasons why there should be no amalgamation. The right hon. leader of the Opposition told him that our security is not what it should be. His answer to that is that we have security on everything which the Canadian Northern railway possesses to-day. He might have gone one step farther and said that we have obtained security on abso-

lutely nothing, because the Canadian Northern Railway Company possesses absolutely nothing to-day. And what is his answer to the objection urged by the right hon. leader of the Opposition with regard to clause (b) of section 6 of the third schedule, concerning the control of the Railway Commission over freight rates? His answer is that the Canadian Northern Pacific railway is situated in one end of Canada and the Government railway in the other, and that consequently there is no danger of any agreement ever being made between those two companies. But in the same breath he is obliged to admit that if any such agreement or arrangement were made between those two companies, the right hon. leader of the Opposition's contention would be absolutely correct. Is it possible that an agreement may be made between the Government railway and the Canadian Northern Pacific railway? I contend that it is. I contend that freight may be shipped from British Columbia to points on the Government railway in the Maritime provinces, that freight may be shipped from points in the Maritime provinces on the Government railway to British Columbia, and that, therefore, such an agreement may possibly be made between the two companies. If any such agreement is made, the Railway Commission will be able to assert its powers only in so far as they will not contravene that clause of the resolution which says:

Provided always that every agreement respecting the interchange of traffic shall be subject to the agreements now existing with any other company or companies.

But, Mr. Speaker, before reviewing in detail the attempted answer of the Solicitor General to the able address delivered by the right hon. the leader of the Opposition, let us see why this resolution has been placed before this House and what this discussion is about. The people of Canada, informed through the Conservative press before this resolution was laid upon the table of the House, were under the impression that the Canadian Northern railway had come rapping at the door of Parliament and begging for aid. Since the very beginning of this session it has been no secret that Sir William Mackenzie, Sir Donald Mann and their friends have been frequent visitors to Parliament Hill, they have frequently called at the offices of the members of the Government in power seeking aid for the Canadian Northern Railway Company from the Dominion of Canada.

Time after time members on this side of the House have asked the Minister of Finance if any request had been made, if any aid was to be given; and every time the Minister of Finance has replied; 'no request has been made, no aid is to be given.' It was rumoured that the Minister of Finance was unable to arrive at any understanding between the Government and these gentlemen and that he finally was obliged to give up the task and pass it on to our good friend the Solicitor General. Then the Conservative press published throughout the length and breadth of this land the statement that an agreement had been arrived at, that there was to be an amalgamation of all the Canadian Northern railway companies, that there was to be a reduction of the stock to $100,000,000, that Canada was to receive $40,000,000 of common stock for the guarantee of a loan of $45,000,000 and that $15,000,000 of common stock would be placed in the hands of a trustee, to revert to Canada if the Canadian Northern railway did not carry out their obligations. That is the agreement which was heralded from one end of Canada to the other. That is the agreement that was published in all the Conservative papers of Canada. That is the agreement the party in power tried to impress on the minds of the Canadian electors before they dared place this resolution on the table of the House—and that is not the agreement at all. There is absolutely nothing in this agreement which says that the Canadian Government will have $15,000,000 of common stock placed in the hands of a trustee which will revert to the Government of Canada if the Canadian Northern railway does not carry out its obligations, absolutely nothing. The Canadian Government gets $40,000,000 worth of common stock, and what is the common stock worth to-day? Absolutely nothing. $40,000,000 of water is given to the Government for the guarantee of a loan of $45,000,000 of cold cash. The position is this: Messrs. Mackenzie and Mann come to the Canadian Government and they ask for further aid to this railway. They hand us a statement showing how much money has been expended, showing how much money has been received from the Dominion of Canada and from the different provinces, showing how much more money they require to complete their road. They placed this statement upon the

table of the House and the Government said to them: All right, we will take that statement as the absolute truth, we will give you $45,000,000, or we will guarantee a loan of $45,000,000, which means absolutely the same thing, because in the long run it is the people of Canada who will have to pay the $45,000,000. I find in the statement the amounts of money received from the different provincial Governments by the Canadian Northern Railway Company and the subsidiary companies. I find the amount of money received from the Dominion of Canada by the Canadian Northern Company and the subsidiary companies. I find the amount of money expended and I find the amount of money still due. But what I do not find in that statement is the amount of money that Sir William Mackenzie and the amount of money that Sir Donald Mann took out of their own pockets and put into this enterprise. That is not mentioned in the statement, and I fear, that if it was to be mentioned the page which would bear that heading would be absolutely blank. These gentlemen, it is true, deserve something from Canada. They have foresight, they have ability, they have skill, they have courage; I am willing to admit all that. But before attempting to build a railway which is to be a transcontinental railway and extend from one end of Canada to the other, they should have had more than skill and more than courage and more than ability—they should have had a few dollars in money. Instead of that they form a company known as the Canadian Northern Railway Company. Who is the Canadian Northern Railway Company? Messrs. Mackenzie and Mann. In order to get aid from this country they form eighteen or more companies, called subsidiary companies and who are the principal stockholders in the subsidiary companies? Messrs. Mackenzie and Mann. They come to the Canadian Parliament, they go to the different legislatures, and they get money for these different companies; and in getting this money they are getting money for Mackenzie and Mann. They then form a construction company under the name of Mackenzie, Mann and Company, Limited, and the money they have received from the federal Government and the Governments of the provinces for Mackenzie and Mann acting as the Canadian Northern Railway company they pay over to Messrs. Mackenzie and Mann acting as Mackenzie, Mann and Company, Limited, construction agents. So that all the money that is paid out still remains in the pockets of Messrs. Mackenzie and Mann. Of course Messrs. Mackenzie and Mann, construction agents, get rich and make money, but the Canadian Northern Railway Company gets poor because it gives all its money to Messrs. Mackenzie and Mann. Messrs Mackenzie and Mann, as the Canadian Northern company, come back to Parliament and ask for more aid. They should tell us, if they want to be absolutely fair: We have two money bags at home, one belongs to the Canadian Northern Railway Company, the other to Messrs. Mackenzie, Mann and Company, Limited. We have taken all the money out of the money bag belonging to the Canadian Northern Railway Company and we have placed it in the money bag belonging to Mackenzie, Mann and Company, Limited. There is no more money in the first bag, it is all in the second; kindly fill up the first. And the Government says: Give us a statement of your affairs. Did the Government say: We will have an investigation of your affairs, we will find out who got this money, we will find out if your contracts have been given at a reasonable figure, we will find out whether Messrs. Mackenzie, Mann and Company, Limited, when they got these contracts, got them by means of a tender and whether they were the lowest tenderers? Oh, no.

The statement is laid upon the table of the House, and so they print the copies which were handed to the different members two or three days before the resolution was brought down. In that statement, we find that Messrs. Mackenzie and Mann did not get any actual profits; but that they did get common stock in lieu of profits. That is the statement contained in this blue book, 'Documents relative to Government Guarantee' (printed by order of Parliament). But where is the proof that they did not get any money? Where is the proof that every cent they received—and nobody denies that they received money to pay their labourers and to pay for the material, ties, rails, etc. —was paid out? There is no proof in this blue book. Where is the proof that Mackenzie and Mann did not get any cash profits? There is none at all. There is the affidavit of Mr. Alfred J. Mitchell, who is the comtroller of the Mackenzie-Mann Company, Limited. In that affidavit, he says that according to the books and to the best of his knowledge and belief Mackenzie and Mann received nothing but common stock in lieu of profits. Then there is also the affidavit of another Mr. Mackenzie and another Mr. Mann of the Northern Construction Company of British Columbia, to the effect that under cover of this company

Messrs. Mackenzie and Mann did not get any cash in lieu of profits. Both of the declarations just mentioned may be absolutely true, but I ask the Prime Minister to-day where is the affidavit of Sir William Mackenzie, and of Sir Donald Mann, that they made no money out of those enterprises? They say they require $41,000,000 more to complete the road. Where is the proof that they can complete it for that amount? There is absolutely none. Every one agrees that the cost of construction of railways in this country has increased and is increasing by leaps and bounds. They give us a statement, found on page 10 of the blue book, that to complete the railway will cost $100,000,000, but that they can raise $58,473,982 by proceeds of securities which will be issued in respect to he above expenditures, and cash in trust accounts, for construction, leaving a balance of $41,905,117 still required. Where is the evidence that they can complete the road for $100,000,000? Where is the proof that they can obtain $58,000,000 from the proceeds of these securities? Parliament is asked to accept the statement of the two men that come begging at the door, and who tell us that they need the money; and we are asked to give it without any further investigation. I claim—and I am speaking for myself only, I do not pretend to express the views of my party—that an investigation should have been held to ascertain exactly what these gentlemen have received, and why Canada is obliged to give them more—an investigation where they could have been called as witnesses and examined under oath, and where the evidence of their employees could also have been taken under oath. Parliament would then have known what was required in the way of aid, and would have been justified in making an agreement to provide the aid required. But, even if every statement in this blue book is absolutely correct, even if the Canadian Northern railway needs the sum of $45,000,000 to complete the construction of their road, Canada is not getting any security for the guarantee which we are asked to give. Let us see what that security is. First of all, it is a mortgage upon the stock of eighteen constituent companies—a mortgage not upon all the stock of these companies, but upon only a certain part of the stock of the companies detailed in the first part of the schedule attached to the resolution. We would like to know who owns that stock to-day, and how it is that this stock can be placed in the hands of the Canadian Northern Railway Company? Who is going to give that stock to the Canadian Northern? Messrs. Mackenzie and Mann, Limited?—perhaps. Sir William Mackenzie?—perhaps. Sir Donald Mann?—perhaps. Nobody knows. And a very curious thing is that the stock which is mortgaged to the Dominion of Canada as security for this guarantee is worth very little on the market at the present time; in fact, it is worth nothing to-day. Messrs. Mackenzie and Mann own other stock, they are interested in other companies. Why do they not give us a mortgage on stock of other companies which are worth something, and which are paying dividends to-day?—the Toronto Street Railway Company, for instance. There are many other paying companies in which these two gentlemen are interested, but they will not give a mortgage on the stock of those companies because it is worth something. Another proof that these companies are worth nothing was given by the hon. Solicitor General himself last night, when in answer to the argument of the right hon. leader of the Opposition that this was no amalgamation, he said: 'No, it is not an amalgamation, and it is a great deal better for Canada that it should not be an amalgamation; and the first reason is that perhaps some of these companies are worth nothing and may never pay their running expenses; perhaps some of them will be left to rust and decay, and in that case we will not be obliged to keep them; we can cast them off.' But still the Government takes a mortgage upon the stock of those companies, without knowing whether they will ever be worth anything or not. His other argument against the amalgamation was that in order to amalgamate these companies, to make one great system which would really be a factor in the commercial life of Canada, it would be necessary to enact confiscatory legislation. Then, in the next breath, he says that it is not necessary that any shares should be deposited in the hands of a trustee, because, if, in three or four years, the companies do not pan out well and the Canadian Northern Railway Company is unable to pay its interest on its bonds, Canada can take it over, confiscate everything it has, form a new board of management or turn the road over to some other corporation. If there is to be confiscation in three years from now why not confiscation to-day? What is the difference? The Soli-

citor General knows very well that this is not the last request that the Government will receive from Mackenzie and Mann. My right hon. friend the leader of the Opposition showed us yesterday very clearly that within a year from now they will be obliged to come back here, knock at the door and ask us for the $7,000,000 which is not provided for. In answering that argument the Solicitor General only makes the case a great deal stronger; he says there is also an item on page 43 of $21,262,000 for construction, equipment, terminals and branch lines which is still due, which must be paid and which is not included. So that next year, instead of it being $7,000,000, there will be $28,000,000 more that the Canadian Northern Railway Company will come and ask us to guarantee our loan to them.

Mr. MEIGHEN: The $21,000,000 is inincluded in the statement.

Mr. BOIVIN: It is not included in the statement given on page 10 of the blue book distributed to the members of this House.

Mr. MEIGHEN: Yes, it is included in the amount of $100,000,000 for their requirements.

Mr. BOIVIN: If the $21,000,000 is included in the $100,000,000 for their requirements, will the Solicitor General tell me how the Canadian Northern railway will be able to spend that $45,000,000 on entirely new lines and still pay a debt of $21,000,000?

Mr. MEIGHEN: There is $100,000,000 to be expended. The hon. gentleman has not even given casual consideration to what has been laid on the table. The sum of $58,000,000 will be available as it is earned and the $45,000,000 will be available as it is earned, and these will take care of the $21,000,000 along with all the rest.

Mr. BOIVIN: The $58,000,000 is still to be earned? In order to get the $58,000,000 the $45,000,000 has to be spent.

Mr. MEIGHEN: The work has to be done.

Mr. BOIVIN: And it is precisely because they have not the $45,000,000 at the present time to do the work with that the Canadian Northern railway cannot get the $58,000,000. To earn the $58,000,000 the Canadian Northern railway must spend the $45,000,000 which they are asking from Parliament to-day. Even if the $100,000,000 comprises this $21,000,000, and I maintain that it does not, the argument advanced yesterday that there is still $7,000,000 to be provided for, holds good. The argument of my right hon. friend the leader of the Opposition that they will have to come back and ask for more money, still remains. The Solicitor General says we are getting 40 per cent of the common stock, and that we are leaving $60,000,000 to Messrs. Mackenzie and Mann to pay them for their eighteen years of work for the development of the railway system. When the leader of the Opposition said yesterday that Canada should get more than $40,000,000 of the common stock, and that Canada should have a controlling interest in this road, I do not think it was in his mind that we should get more than $40,000,000 worth in money, because we all know that the common stock is now worth absolutely notning. We know that the common stock may never be worth anything, but we claim on this side of the House that Canada should have a controlling interest in this road, so that we may have something to say when it comes to letting the contracts for the balance of the construction of the road. We want to have a word to say in the management of the road in order that the contracts shall not be given by Mackenzie and Mann and the Canadian Northern Railway Company to Mackenzie and Mann, acting as the Mackenzie and Mann Construction Company, Limited, without tender and without competition. We claim that this road has been carried on as a feeder for the Mackenzie and Mann interests long enough, and that the time has come when the Canadian Northern railway should be administered, as other up-to-date railway companies are, in the interest of its shareholders and of the country generally, rather than in the interest of the promoters alone. Canada is becoming a shareholder in this road, and is advancing $45,000,000 in cold cash, or its equivalent. Canada backs the note of the company to the extent of $45,000,000. We claim that we should be able to protect our interests by having a say in the management and in the awarding of contracts; in order to see that these contracts shall be given to the lowest tenderer. It is not so much the proprietorship of the road that we are interested in as the right to have a word to say in the administration, in order to protect the interests of the people and to protect the guarantee which we have given.

I would like to call the attention of the Solicitor General to another part of this contract. In the definitions I find that:

'Contractors' means Mackenzie, Mann & Company (Limited).

According to the resolution these contractors are obliged to assume certain obligations. Clauses 4 and 5 of the resolution provide:

12 noon.

4. That covenants or undertakings to the satisfaction of the Governor in Council shall be given that all outstanding temporary loans to the Canadian Northern or any of its constituent or subsidiary companies secured by the deposit or pledge of securities, will be paid out of the proceeds of such deposited or pledged securities when the same shall be sold or disposed of, and that no proceedings against the Canadian Northern or any of said other companies will meanwhile be taken for the collection of such temporary loans.

5. That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said constituent and subsidiary companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount to be determined by the minister and that meanwhile all such current indebtedness other than such as may be the subject of bona fide dispute, will be either paid or arranged in such a manner that no proceedings for the enforcement of payment thereof will be taken or pressed.

These are the clauses which provide that covenants or undertakings must be given to the satisfaction of the Governor in Council, that this money will be used for the completion of the road. The contractors in clause 5 are a party to this undertaking; they are the party who under clause 5 must give such covenants; and according to the definition, the word 'contractor' means Mackenzie, Mann and Company, Limited. Why not in the definition of the word 'contractor,' also include, as we do in the trust deed, the names of Sir William Mackenzie and Sir Donald Mann? Is it because Sir William Mackenzie and Sir Donald Mann do not wish to undertake this obligation, because they are afraid to covenant and undertake that not only the contractors but all outstanding temporary loans to the Canadian Northern or its constituent or subsidiary companies, so secured, will be paid out of the proceeds of such deposited or pledged securities? I claim that, for the protection of the people of Canada, if this resolution is adopted, the names of Sir William Mackenzie and Sir Donald Mann personally should be added to the name of Mackenzie, Mann and Company, Limited, as the contractors, and that further than that, Messrs. Mackenzie and Mann should themselves become liable for the carrying out of the covenants and undertakings which may be entered into between the Governor in Council and the Canadian Northern Railway Company and the other parties to the agreement.

It would be better still to have these covenants and agreements made at the present time and submitted to Parliament, so that we could decide the value and the worth of them before we grant this aid. This resolution practically leaves to the Governor in Council the whole administration of this loan. The Governor in Council alone is to decide whether the Canadian Northern Railway Company, whether Messrs. Mackenzie and Mann and whether Messrs. Mackenzie, Mann and Company, Limited, are doing what they undertake to do by this agreement, or not. Why not have it decided now once and for all what these covenants and undertakings are to be? Why not tell us now, how a company, which is so hard up that it is obliged to come to Parliament for aid to continue the construction of its line, is to ward off its creditors for a year or two years or a longer term, and how that company is to guarantee to the people of Canada that it will not be sued by the people to whom it owes money? Are the creditors to be called in by the Governor in Council and to be obliged to sign an agreement by which they will promise not to sue the Canadian Northern Railway Company? According to clauses 4 and 5 of the resolutions before the House, one would believe that that is going to be done; but if that agreement can be arrived at, then the very reason why this aid is granted, why this $45,000,000 is given to the Canadian Northern Railway Company, falls to the ground of itself, because the company does not require the aid.

Speaking of the securities given to us, the hon. Solicitor General last night, after discussing in detail the reasons why the companies were not amalgamated and why all the shares were not mortgaged to the people of Canada as a guarantee, went on to say that we had a mortgage on 5,350 miles of the Canadian Northern railway which extends from Port Arthur to Edmonton. But what he did not say is that that road is subject to other mortgages. We are getting not a first nor even a second, but a third or fourth mortgage on the road which is already mortgaged for all that it is possibly worth.

His next argument was that we were getting a mortgage on the townsites; that

they were worth an enormous amount of money and that the mortgage upon the townsites was worth millions. If the mortgage upon the Canadian Northern railway proper is worth millions and the mortgage upon the townsites is worth millions, and if the company is so well off that it has millions at its disposal, why should it come to Parliament asking us to guarantee its bonds? Why does it not go to the money markets of the world with these securities and these millions, which the hon. Solicitor General has referred to and say: We have the security and we want the money, and we are independent of the Canadian Parliament? The money-lenders of the world know that this security is worth absolutely nothing; and they have told Mackenzie and Mann that, if they want any more money, they must ask the Dominion of Canada to back their note. The Dominion of Canada is backing their note and is getting nothing in return, not even the right to tell Mackenzie and Mann, in two weeks from to-day or as soon as they get the money, to whom they shall give their next contract. It is true they pretend that up to the present time they have given the contracts to themselves; that they have taken nothing but common stock; that they have taken water in lieu of profits. Part of the water has been squeezed out or bailed out, and the whole capitalization has been reduced to $100,000,000. That capital stock is not to be increased. If it were to be increased, there would be no reason for reducing it at the present time. The Government has $40,000,000 of this stock and Mackenzie and Mann have $60,000,000. Therefore, there is no more common stock to be taken. The next time Messrs. Mackenzie and Mann get a contract from the Canadian Northern Railway Company they will have to get a profit. If they cannot get it in common stock, they will have to get it in cash.

Statements were made not long ago by Messrs. Mackenzie and Mann to the effect that they would be able to finance this company without applying to Parliament for any further aid. Those statements were repeated in this House less than a year ago by the right hon. Prime Minister himself and by the hon. Minister of Finance. Questions were placed on the Order Paper this year asking upon what authority those statements were made, and those questions were answered by the Prime Minister and the Minister of Finance. In spite of those statements, Mackenzie and Mann come to us and say: We require $100,000,000 more to complete the road and we require $45,000,000 more than we ourselves can provide. The hon. Solicitor General stated that that was due to the fact that the road is being built to a higher standard of construction; that the cost of construction, the cost of labour and the cost of material at the present time is greater than it was when these predictions were made, and greater than it was when the idea was first launched of making the Canadian Northern railway a transcontinental system.

He branched off from that into a consideration of the speech delivered by the hon. member for South Renfrew (Mr. Graham) on the National Transcontinental. He spent a quarter of the time allotted to him to explain this agreement in giving a new answer to the speech of the hon. member for South Renfrew when he attacked the Gutelius report and defended the construction of the National Transcontinental. He told us that if the Canadian Northern railway went into bankruptcy Canada would at least have something—that Canada would not have only a railway extending from ocean to ocean, but would have stations, rolling stock, telegraph lines and other assets, whereas in the case of the National Transcontinental Canada had nothing but a railway. I am willing to admit that to a certain extent the Solicitor General told the truth, but he did not tell the whole truth. He should have said that if the Canadian Northern railway goes into bankruptcy we shall have a third-class road on our hands with a telegraph company into which no money has been put, with a few stations, terminals and steamships; but in order to claim these as our property, we shall have to pay a mortgage of $312,000,000 which now stands against them, besides losing the $45,000,000 we are now giving, a total of $357,000,000. And we should also lose the amount required to replace wooden trestles and bridges with steel and concrete and bring the Canadian Northern railway to something near the standard of the National Transcontinental railway to-day. But the National Transcontinental railway is our absolute property, in that road we have the best railway that was ever constructed, and it has been paid for, for the most part, out of the yearly revenues of our country.

The Solicitor General told us that we had not consulted the documents laid on

the table, had not even consulted the maps and were discussing the matter without knowing where the road was going to. We consulted the books and documents and one thing we do know is that the road is going into bankruptcy, and that $45,000,000 will not save it; more will have to be given if it is to be saved. The Canadian Northern railway is going into bankruptcy and that is where this country will go if the party now in power remains there much longer, because when it comes to handing out money to assist corporations it is always ready to act, and the Minister of Finance is always ready to borrow.

The Prime Minister, when he submitted these resolutions to Parliament, laid great stress upon the fact that he was able to read to the House an editorial taken from the Journal of Commerce, published in Montreal, edited by the former Minister of Finance of Canada, Hon. Mr. Fielding. If the Prime Minister can get any great consolation out of that editorial he is welcome to it. The former Minister of Finance, Mr. Fielding, admits in that editorial that it would be a disastrous thing for Canada if the Canadian Northern railway went into liquidation. He admits that the loan necessary to avoid that must be guaranteed by Canada. He does not discuss this agreement or say that these resolutions are good resolutions or the best that could have been made. He merely says that the money or credit must be given. That is what the Prime Ministers of the different provinces say in the letters and telegrams they have sent to the Prime Minister of Canada. We all agree that the Canadian Northern railway must have assistance. The money has all gone from the moneybag labelled 'Canadian Northern Railway' into the moneybag labelled 'Mackenzie and Mann', and these Canadian Northern Railway moneybags must be refilled. But what we do not agree upon is the manner in which that loan is to be guaranteed. It is because we consider the guarantees insufficient, it is because we consider that we should have a controlling interest in this road, it is because we consider that we should receive all the securities that Mackenzie and Mann can give, that we do not favour this agreement. If Messrs. Mackenzie and Mann have confidence in their enterprise, if they really consider that with the money advanced by Canada at this time they can make a success of this undertaking and make millions out of it besides, they should at least give us security upon all they possess, and not merely a mortgage upon the stock of companies that are worth nothing. If this were done it might be wise for the Dominion of Canada to give a guarantee or loan. Now, talking about editorials in newspapers, I have an editorial here that I would like to read to the Prime Minister. It is taken from the Montreal Gazette—and nobody will tax that with being a Liberal paper—of date February 27, 1914:

> The Government of Canada is being asked to loan the Canadian Northern railway a sum of money, said to be $20,000,000 or $25,000,000.

They made a mistake; it is $45,000,000. At that time the amount was not known and people did not think they would dare ask for so much.

> The grounds are peculiar. The company voluntarily undertook to construct a great system of railway lines, some of them in close competition for a limited traffic with other roads. It has been liberally treated by Parliament and legislatures of the provinces traversed by its tracks. The cost of the construction to December 31 last was given the other day as $303,319,000. Included in this amount is $20,000,000 of cash subventions from the treasuries of Canada, of the provinces and the municipalities, besides the proceeds of $24,000,000 of land grants bonds issued and on the security of land given to certain of the component lines of the system. Even with the free way the legislative provinces of Canada have of voting away public money and resources, this was not illiberal. Then, in order that the company or its subsidiaries should be the better able to borrow money, the guarantee of the Government of Canada, as to principal and interest, was given to some $62,000,000 of bonds. It is after this that the demand is made for a direct loan, which, if it is made to the company, can only be made after the Government itself borrows the money. The proposition is not businesslike. The Government of Canada is not an institution financing private corporations. What it has done in the connection, because of the folly of Parliament, has cost it much already and will cost it more, has compelled it to borrow heavily, swollen the annual interest charge on the public debt and made it impracticable to reduce the customs taxes. The reasons advanced in support of the request are not strong. One is that if the loan is not made some other company may get control of the Canadian Northern property. This is not a thing to be afraid of. Parliament in the Railway Act has done all it could to ensure that there shall be no competition in rates between railway points and railways.
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> The Railway Commission fixes rates, which may neither be exceeded nor cut. It does not matter, so far as cost of service is concerned, whether the railways of the country are owned by ten or a hundred companies. Another statement is that unless the loan sought is made, provinces which have guaranteed bonds of the company and its associated organizations may be embarrassed. Some of them would certainly be embarrassed if they were called upon to meet the obligations they have assumed. They have backed railway notes with a recklessness that has made the process useless. This, however,

is not the business of the Parliament of Canada, whose duty it is to consider first and only the credit and financial strength of Canada and the interests of the federal taxpayers. These will not be helped by continuing the bad practice of making the national treasury responsible for the debts of companies or individuals in any line of activity.

That is the opinion of the Montreal Gazette, a good Conservative newspaper; an opinion expressed, by the way, just about the time when the hon. Finance Minister said that no further loan would be given. Whether or not the Gazette still has the same impression I do not know, but I do know that the Montreal Gazette is a reputable newspaper. I consider it to be one of the best Conservative newspapers published in Canada and I read its editorials with much interest. I find that it strives as much as possible to be consistent, at least with itself, and for that reason, I presume, it cannot approve the arrangements made at the present time by this Government for a guarantee of $45,000,000 worth of bonds for the Canadian Northern railway.

I do not propose to take up the time of the House any longer; I merely wish to say that I am at one with the leader of the Opposition in this matter. I believe that the Canadian Northern railway should be assisted, not so much for the company itself as for the credit of Canada and for the necessity of building a third transcontinental railway. As other speakers have said before me, the question of whether the third transcontinental railway should be built to-day or to-morrow is a question which cannot be discussed at the present time; that question has already been decided in the affirmative. I have confidence in the future of my country and I really believe that in a very few years Canada will be in a position to furnish traffic for this third transcontinental railroad. I cannot say, however, that I approve the resolutions as they stand at the present time upon the Order Paper of this House and I hope that they will be amended in such a way as to provide that more security will be given to the people of Canada. I hope that an amalgamation of the different companies will be brought about. Amalgamation should not be a difficult task, although I quite realize that it could not be brought about without notice to and protection of the shareholders in the different companies. But I do think that all these constituent and subsidiary companies should be incorporated into one large company known as the Canadian Northern Railway of Canada, instead of retaining their own identity and being known as the Canadian Northern system, a definition which says much but means very little.

I think I have shown to you, Mr. Speaker, and to other hon. gentlemen of this House that the right hon. leader of the Opposition yesterday really found the weak points in this agreement, that he very ably pointed them out and that the hon. Solicitor General was unable to refute the objections which were urged. I regret that the Solicitor General, having devoted two or three months of his time to the drawing of these resolutions, should not have taken the trouble and the time yesterday to explain them to the House in all their details. I admit that they are complicated; I admit that for members of Parliament who are not accustomed to high finance they are difficult to understand and that we may make mistakes in interpreting them, but I do say that they certainly should be understood by the hon. gentleman who drafted them, and that he should have explained them fully to the House instead of attempting merely to refute the objections which were levelled against them. The hon. Solicitor General promised us at one time in this House this year, when a certain resolution was moved by an hon. member on this side of the House concerning the reduction of the duty on agricultural implements, that that was not the proper time to make such a motion; that the matter would be considered in the Budget speech, and that when the Budget speech was delivered he would rise in his place and explain his position. When the Budget speech came before the House he did not rise in his place and did not explain his position. Further, he was so busily engaged in drawing up these resolutions that he was not even in his place when the vote was taken. After neglecting his other duties for the purpose of preparing these resolutions, he certainly could have done more, in making his speech yesterday, than to accuse the right hon. leader of the Opposition with not knowing what he was talking about. Although he proceeded to show the members of this House and the people of Canada that the right hon. leader of the Opposition was absolutely right, and that his objections could not be successfully refuted.

Mr. H. B. AMES (St. Antoine, Montreal). Mr. Speaker, after the full and careful explanations of these resolutions that were

given yesterday to the House by the Prime Minister (Right Hon. R. L. Borden) and by the Solicitor General (Mr. Meighen) very little can be added at this stage of the discussion. But some of us who are endeavouring to give careful and conscientious consideration to the problem now before us and who have tried to bring into somewhat stronger light the main features of the arrangement which is being made, are desirous of stripping the question, to some extent, of its technicalities and of throwing upon the screen a few of the salient features connected with this arrangement and the steps that have led up to it.

I think it is generally admitted that no prime minister and no government in Canada has for many years been called upon to face a more difficult situation than that which this Government has had to meet in connection with this question.

It would not have been at all unnatural for the right hon. the Prime Minister and his colleagues to have declared themselves not responsible for the situation that has arisen and, having reference to the fact that this organization, the Canadian Northern railway with all its subsidiary companies, was born about 1896 and has grown to full maturity under a regime for which the present Government is not responsible, to have said: We did not create this position, we do not propose to become responsible for this affair; we will allow matters to take their natural course. But that position, while it might be defended from a political point of view, did not appeal to the statesmanlike mind of the Prime Minister. He felt that in inheriting the power of carrying on this Government he inherited also the responsibilities of government and that he had to face all situations that might arise, whether they were situations easy of solution or difficult to deal with. This is one of those questions that he has had to face and make the best of conditions for which he was primarily not in any way responsible. And so we should consider this question without political recriminations, without personalities, with the elimination even of the personal factors in connection with the people with whom we have to deal.

The fact is perfectly apparent that a third transcontinental railway has nearly reached completion, that in order to complete that railroad obligations to the extent of $300,000,000 have been incurred, that the railroad cannot be completed without additional assistance, that if it be not completed it cannot pay, that if it does not pay the obligations already incurred will be repudiated and the credit of Canada, will, in consequence, suffer; that, therefore, the only chance that the expenditure already has of being made good is that the system be completed and that the railroad, as a going concern, be permitted to earn what is necessary to meet the charges upon its obligations.

There is given in the blue book of information placed in the hands of members of Parliament a statement by Mr. Hanna, the third vice-president of the Canadian Northern railway, which may by some be regarded as an optimistic statement. Mr. Hanna states that by 1918 the fixed charges on the system would be about $16,000,000, and he proceeds to show that by that time he would consider that the earnings would be ample to meet not only the fixed charges but to create a surplus of some extent. Whether we altogether agree with his prognostications I do not know. They do not, however, seem unreasonable. At all events, it can be urged that the line then in operation will have upon it an obligation which will not be more than one-half of that which the Grand Trunk Pacific have assumed in undertaking to operate the National Transcontinental railway. If the Grand Trunk Railway Company can expect to succeed, it is not unreasonable to imagine that a railway with one-half the obligations to carry can also succeed. However, we have to admit the fact that this company in its time of extremity can turn to no other source than the Canadian Government. It has no other friend in the world, and however we may feel towards it, the responsibility rests on us of determining whether we shall or shall not be the only friend that that company can possibly have.

We cannot escape the fact that the Government of Canada and the provincial governments and the municipalities to some extent have frequently recognized this undertaking. They have declared that the primary intention of the promoters, the building of a transcontinental railroad from the Atlantic to the Pacific, was timely and was a laudable intention. They have frequently committed themselves to that contention. They have done so by granting frequent and generous aid. It is not perhaps inopportune to review what we have done, very briefly. The

Dominion has given to this undertaking in cash $21,378,534; the provinces have given in cash $3,877,000 by way of subsidies. These companies have been able to earn lands amounting to 4,100,000 acres which were originally in the possession of the Dominion Government. They have entitled themselves to select 2,000,000 acres of land in the province of Ontario, now belonging to that province, and some 500,000 acres of land in the province of Quebec, now the property of that province. In addition their obligations have been guaranteed by the Dominion to the extent of $58,000,000, and by the provinces to the extent of nearly $77,000,000; and the public, taking cognizance of the fact that the Dominion and the provinces have both recognized this institution, and that the people of Canada, in Parliament and Legislature, have declared that it was a laudable undertaking, the general investing public of the world, of Europe and of America, have put their savings also into this undertaking to the extent of some $175,000,000 or $176,000,000 without government guarantee. Canada's investment in this undertaking is large. Our endorsement of this undertaking that may become an obligation is still larger, and the moral obligation which rests upon us of having encouraged other investors is larger still. Therefore, on these three heads, it seems to me that we cannot allow this undertaking to go by default.

There are three alternatives that have been urged in reference to the situation which confronts us, each of which has its advocates and each naturally has its objectors. The first alternative is what we may call laisser faire, allowing matters to take their course, with the inevitable understanding that collapse will follow. That has been declared to be unthinkable. It is admitted on both sides of the House that it is unthinkable. It therefore is of no advantage that we should dilate upon the disaster that might result from a condition of affairs which none of us have any intention of allowing to come to pass.

The second alternative is that of immediate Government possession. I have found it a little difficult to understand what is the policy of the right hon. leader of the Opposition in this respect. But as nearly as I can judge, his contention is that we should take a majority of the stock at present owned by Messrs. Mackenzie and Mann and hold a majority of the stock in the new Canadian Northern amalgamation. That is equivalent to our assuming a controlling interest, which is practically the same as our taking immediate possession. The other method of taking immediate possession, if I understand aright, is that proposed by the hon. member for Kingston (Mr. Nickle), whose method would be the taking over of the physical assets of the whole system. Just how that would be done was not fully explained by the hon. member. So that the second alternative, and if I am right it is what the leader of the Opposition favours, is that the Government should at this time assume control or possession of the entire undertaking.

The third method is that proposed by this Government, namely to grant what may be called an extension of time, one final and last opportunity to the promoters of this great enterprise to make good, with the understanding that this is the last time that the pitcher goes to the well, that if it ever comes back again it will most assuredly be broken. I do not think that we in this House should indulge ourselves to any considerable extent in considering the personality of the two men whose names are primarily connected with this great undertaking. I am quite free to admit—and I think this feeling is shared on both sides of the House—that there are many members of Parliament who have just cause to feel that they have not always been fairly dealt with in respect to the demands that have been made by Messrs. Mackenzie and Mann upon the Parliament of Canada. Those of us who remember the legislation of last session, when we were given to understand that the aid then granted would bring about the completion of the road and that nothing further would be demanded, while we feel that those who made those representations in this House were sincere in believing that the evidence laid before them was in accordance with the facts, yet we cannot help feeling that to some extent they were deceived, and purposely deceived, and that this House acted on a supposition which further events have shown to be unfounded. Therefore, we cannot altogether get away from a feeling of annoyance at the way in which we have been treated. In the matter of the stock that came into the possession of the people of Canada one year ago, it was repeatedly stated in this House that the Canadian people were henceforth the owners of one-tenth of the capital stock of the company. If I remember rightly, the Minister of Finance in four separate paragraphs of his speech made that statement, and I have no doubt whatever that

he believed that was what Canada was getting; instead of one-eleventh of $77,000,000, which is what we actually received. In both those cases members of this House have, I think, just cause to feel that they were not dealt with as openly and frankly as they were entitled to be by the promoters of this great undertaking, and naturally there remains in the minds of many of us a predisposition to deal somewhat hardly with these gentlemen; but I think that to allow those feelings to influence our action, to allow whatever personal animosity there may be with us to guide our course, would not be wise inasmuch as in gratifying our dislike we might be doing a very great injury to many innocent people, and undoubtedly would be doing something that would not be to the benefit of Canada as a whole. Consequently, I think the lesson from our experience of last year is this: That we should take the fullest possible precaution to ensure that this agreement says what it means, and means what it says, and we should adopt the attitude of him who sups with the devil; that is, we should use a very long spoon. Under the circumstances, however, I do not think we should allow whatever feelings we may have in this respect to influence our better judgment; but, as was said last night, 'the burnt child dreads the fire,' and consequently we should be careful that the arrangement we make embodies what we wish it to, and that it is susceptible of no other interpretation than our intention.

Just for a moment I want to ask the members of this House whether immediate Government possession of that railway is desirable? That was what I understand was advocated by the member for Kingston (Mr. Nickle) last night. I listened to some of his arguments as to why immediate Government possession was desirable, and as to the manner in which he would bring that about, and I would like to have asked him a number of questions. First of all, as to what proof he had that public opinion was so crystalized and so definitely formed as to lead him to believe that it was the desire of the people of Canada to-day to own a transcontinental system; again, as to whether the time was ripe for taking over a new enterprise of this kind—whether an undertaking that is only three-fourths completed should be taken over and completed by the new set of owners; whether a change at this particular time might not lead to much confusion, and, possibly, additional expense. Again, I would have liked to ask him whether, under present circumstances, with heavy expenditure and diminishing revenue—which we have to admit is at present evidenced in our financial situation—the Government would be justified in undertaking the enormous immediate cash requirements that would be necessary if the Government at this time were to take over the road. I would have asked him whether he can imagine, if another $100,000,000 was necessary to make this system complete, that the Government and its officials might be expected to expend that $100,000,000 any more economically or carefully than the men who have grown up with the work, and are now engaged upon it. Could the Government, if owners of the road, reduce the rates? If, at the present time, the road is not paying, could rates be reduced save at a loss? And what, then, would be the object in acquiring the road, with the expectation that rates might be reduced, and that the other railroads dealing with the Northwest might be brought down to a lower export rate basis. Again, is there time to reorganize, to rearrange the personnel so as to permit this railroad to pass into the hands of the Government without having gone through an interval equivalent to bankruptcy? It seems to me there are a great many difficulties which present themselves in the way of bringing about, in the very short time at our disposal, the passage of the physical assets of the company into the hands of the Government or the exercising of a controlling influence by the Government. Should the Government, as has been advocated by the right hon. leader of the Opposition, assume the majority of the stock in this company, it must not be forgotten that assumption of the majority of the stock means assumption of control and responsibility; and I would like to ask members on the other side of the House if they are prepared to advocate, at the present time, that the Government immediately assume the entire responsibility for the completion of this road and this system. So I think there is much yet to be laid before this House by way of proof by those who advocate that, either by way of controlling the majority of the stock, or by way of acquiring possession of the physical assets of the company, the road should pass into the immediate possession of the Government. The Government in their proposals have had regard for present conditions, and future contin-

gencies; for the alternative of success, and for the alternative of failure. I believe it to be a careful honest attempt on the part of this Government to find the best possible solution in a case of extreme difficulty.

At one o'clock, the House took recess.

The House resumed at Three o'clock.

Mr. AMES: Mr. Speaker, before the House rose at one o'clock, I had been dealing briefly with the various alternatives open to this Government in meeting the difficult situation, and I had endeavoured to show that of the several alternatives there was none which seemed to be so free from objection as a method somewhat similar to, if not identical with, the one that is covered by the resolutions which have been introduced by the Prime Minister. I shall now take a few moments of the time of the House in dealing rapidly with some of the prominent features of this agreement with the view of pointing out wherein, in my judgment, that agreement is commendable and should receive the support of the House and of the country. When the Government approached this problem they found that they had to deal with a very tangled web of allied companies. The proposition would have been comparatively simple if they had been dealing with one completed railway system. But they found a score and a half of different companies each having a separate entity and organization. The first task that presented itself was that of unification, not the task of amalgamation which would require extensive legislation and much time. Under present circumstances all that was necessary was to form a unification and to bring these various component parts of this system together so that they could be controlled from one centre. My hon. friend the Solicitor General showed last night what were the advantages of this method and the many obstacles that were in the way of such an amalgamation as had been hinted at by the Opposition. It is proposed to bring these twenty-nine undertakings into one system so that they can be centrally controlled.

These undertakings, if united, contain all the essentials to the successful operation of a railway system. They include a main line of railway from the Atlantic to the Pacific, the necessary terminals in all of the chief centres of traffic, a number of branch lines and feeders, telegraph systems, express companies, even steamship lines, and care has been exercised in bringing into the unification every essential feature which might be necessary were the Government, or another company, to be called upon to operate it as a completed Canadian transcontinental railway system. Henceforth there is to be a central control—not a central control as heretofore by Mackenzie and Mann, Limited—but the Canadian Northern Railway Company are to hold all, or a majority, of the stock of every one of these subsidiary companies that go to make up this general unification. In order that these provisions may be observed these stocks are to be in the hands, not of the Canadian Northern Railway Company itself, but of trustees who will see that the agreement is carried out in its fullest particulars. Moreover, further issues of stock are prohibited, so that we know just where we stand in our enumeration of the stocks involved.

With this new unification the Government has made a bargain. Some people think that it is a hard bargain. There are people who believe that the Government has exacted really more than it should have taken out of the companies and the people who compose this unification. Hitherto it has been customary for the Government of Canada to present the railways with large assistance considering that the only return necessary was that the roads, when completed, would be successfully operated and would indirectly be a benefit to the people of Canada. But, for the first time, the Government has sincerely insisted that a bargain should be made in which there is a large quid pro quo in return for aid rendered.

This undertaking is about three-quarters completed and it has been represented to the Government that it will require an expenditure of another $100,000,000 to bring the system up to a full operative basis. That $100,000,000 can be made up in this way: There are $58,000,000 worth of securities which are already legislatively possible but which can only be realized as the work of construction continues. The other $42,000,000 of aid, the promoters are expecting to realize by the sale of new securities guaranteed by this Government and it is claimed that with $42,000,000 they can easily realize the $58,000,000 and therefore, the whole $100,000,000 will be available for the completion of this system. The Government gives—or I might rather say—lends its credit to this enterprise to the extent of guaranteeing an additional $45,000,000 worth

of bonds. These securities are to be issued for twenty years at four per cent and the Government becomes, in the last resort, responsibile for the principle and interest. That is the main assistance that the Government gives.

But the Government gives further assistance than that which must be taken into consideration when we are examining this bargain. The Government says: For the first three years of the operation of this system it will be very difficult, if not impossible, for the company to pay interest on these bonds; consequently the Government undertakes to advance—that is to lend—the interest of six semi-annual payments, amounting, it is estimated, to $5,400,000 and this loan shall be repayable in 1934 when the guarantee securities fall due, and this loan shall be covered by the same security. So that the Government is giving an additional guarantee to the extent of $45,000,000 and practically a cash loan of $5,400,000. This makes the total assistance that the Dominion Government has given to these allied enterprises:

Cash	$ 21,400,000
Guarantees	103,000,000
Loaned in cash	5,400,000

or a total of about one-third of the entire $400,000,000 which at the time of completion shall have been invested in this road. The Government has taken a large interest and is entitled in return to very marked consideration.

What does the Government get in return? I propose to classify the benefits which are to accrue to the Government under several different heads. In the first place, the Government is to get forty per cent of the common stock of the reorganized Canadian Northern Railway system. That forty per cent of stock, or that $40,000,000 worth of stock if it remains at par, is to be the absolute property of the Government for all time.

Mr. A. K. MACLEAN: There was an apparent discrepancy as to the cash and other aids alleged to have been given to the Canadian Northern between the member for Kingston and the Solicitor General. Has the hon. gentleman had an opportunity of investigating the difference and can he give any reply?

Mr. AMES: I have not had an opportunity of investigating the difference, and I am giving what is set forth in the official papers laid before the House.

To resume, let me state that this $40,000,000 par value of stock of the reorganized Canadian Northern Railway system is to be the absolute property of the Government for all time. The Government is already a partner to the extent of $7,000,000 worth of stock, or one-eleventh of the present stock of the Canadian Northern. The Government is now to become a partner to the extent of two-fifths of the entire capitalization of the undertaking. I take it that the Government is not so particularly anxious that this should become a revenue bearing stock as it is interested in the fact that the stock should be controlled by the Government in order that, in that way, it may to a large extent be able to guide the future policy of this great organization. It is well known how this matter is to be arranged. The Canadian Northern at the present time have a capital of $77,000,000 of which we own $7,000,000. They are authorized to increase that capital to $100,000,000, and all the stock of all the constituent or subsidiary companies will become the absolute property of the Canadian Northern Railway Company, and no further stock will be permitted to be issued by any of these subordinate companies. In order to secure the carrying out of that arrangement, these stocks will be placed in the hands of a trustee who will act for all the parties to this agreement. Therefore to control the Canadian Northern in the future will be to control the entire system, including all these subsidiary companies; and if two-fifths of the control of the entire system rests in the hands of the Government, two-fifths of the control of all the component parts of the system will be with this Parliament and those whom we appoint for that purpose.

There are further conditions to be imposed upon the Canadian Northern and the subsidiary companies. The Government, in making this arrangement, have thought of other people besides themselves; they have thought of those people who have made short term loans for this undertaking and of those who have in good faith sold goods or rendered services on construction account. All these people will be protected by this agreement. As far as the temporary loans are concerned, all represented probably by short term notes, I understand that they represent $20,703,865, and to secure the payment of that amount securities valued at $24,324,000 have been lodged under the trust deed of 1903. This agreement proposes to say that these securities shall be regarded

as pledged for that loan; that they will not and cannot be interfered with in any other way or for any other purpose than for the satisfaction of these temporary loans. Therefore, it gives to the persons who have loaned that money the feeling that they need not worry; that while there may be delay, they will eventually be paid, and they are thus relieved from the necessity of pressing for immediate attention.

As to current indebtedness—that is to say the floating liabilities for work on construction, for supplies given and for services rendered, scattered throughout Canada from one end to the other, many of them owed to Canadians, some for large amounts, some for small amounts, some which would ruin the man to whom they were owed if they were not paid—the Government undertake to make a prior condition to this guarantee that Messrs. Mackenzie and Mann, Limited, shall reduce those claims from $10,500,000 to about the normal amount, namely, $3,000,000. In other words, in one year Mackenzie and Mann must reduce those claims by $7,500,000 or arrange for that indebtedness in such a way as may be satisfactory to the persons who have supplied the goods or performed the services. This is protecting, of course, our own people, and will undoubtedly be received throughout Canada with great satisfaction by many who have passed anxious days and nights while this subject has been under consideration.

There are certain other conditions which by this bargain are imposed upon the Canadian Northern; and it is well that we should see all that the Government of the day has seen fit to exact, shall I say, before bringing this bargain before the House. In order to secure oversight and accurate information, and in order to make it certain that hereafter we shall know down to the last detail how this company is getting along and how all the constituent parts are thriving, we are to have first of all a director who will sit, not only on the board of the Canadian Northern, but on all the other boards that are kept alive in connection with this system. He can attend every meeting; he can demand that a meeting be called if it is not called at the regular time, and he is protected in many ways in performing the duties for which he is appointed. He is on guard and will be on guard to see that the Government interests are in all ways protected, and to notify the Government in case any of the stipulations covered in this agreement are not lived up to by the Canadian Northern Railway Company or any of its secondary or constituent parts.

There is also to be brought down yearly a consolidated balance sheet, which will show the financial condition of the entire system. If that is in any way unintelligible or does not contain a statement which the Government is prepared to accept, there cannot be the slightest difficulty in the Government having an outside independent auditor appointed, such a firm for example as Price, Waterhouse and Company, to go thoroughly through that statement and find out whether it represents accurately in every particular the position of the company. We have the further right that the books shall always be open to inspection, and that any person appointed by this Government shall have full right to inspect all the details. Therefore the Government will always have accurate information; and with such precautions, even if the company were to try to hide some things, I contend that it would be impossible for them so to do, because this Government will always be completely and accurately informed as to all that is going on.

We may subsequently require again to deal with this great question in some form or another; and I contend that, if from this time forward every detail of these transactions is open to inspection and can be filed on record and can be known and understood by the Government of the day, when we have again to deal with these people, we shall be in a position far better than we are in to-day adequately to meet the situation.

There are further conditions that are imposed on the Canadian Northern that carry with them indirect benefits to the Canadian people and to the Canadian Government railway system. First of all it is stipulated that Canadian routes and Canadian ports will always have preference. I would point out that this railway company has no American terminus, and this agreement does not encourage private and independent routing of freight. The companies agree in these arrangements that they will follow Canadian routes and that they will utilize Canadian ports. Further, they agree to enter into an arrangement whereby the export traffic, viz., goods, that may originate in the Northwest intended for export via Montreal, Halifax or St. John, shall be carried to those ports, and the rates shall not exceed those which the American railroads are at that time prepared to give. So we are assured that we shall have in Canada as good rates as are given on the

continent on such goods as we may desire to export. Then again there is interchange of traffic which may be possible with the Intercolonial railway which involves, of course, apportionment of rates. And finally it is stipulated that they shall consent to give to the Intercolonial railway, that is to the Government railway system, running rights over the whole Canadian Northern Railway system. Now, as I look at that—and the point has not yet been dealt with to any great extent—it seems to me that that is a consideration which carries with it very great benefits. For example, under that arrangement Intercolonial railway trains might be expected to travel to Winnipeg and Canadian Northern railway trains to arrive at Halifax; and if it should happen at any time that none of the three great companies gave satisfactory railway rates across the central portion of Canada, nothing need hinder the Intercolonial railway from taking advantage of these running rights into the heart of the northwest and instituting their own rates for the relief of those citizens of Canada who may be affected by the situation. So, there are further considerations which certainly bring indirect benefits to the people of Canada and to the Canadian Government railway system.

Now, there are some conditions which have been imposed upon Messrs. Mackenzie and Mann, which, it seems to me, might have been left entirely out of the agreement had not the Government felt that they were anxious to make that agreement so good that there would be no chance of it being rejected by Parliament and the country. Messrs. Mackenzie and Mann have been connected with the system ever since 1896. During that time they have acted in the double capacity of contractors and financial agents. As contractors they would naturally be entitled to contractors' profits, and as financial agents to commissions for the loans and financial dealings that they put through. It is stipulated by the Mackenzie and Mann Company, Limited, and by Messrs. Mackenzie and Mann, individually and collectively, that all claims of this character shall be considered as satisfied up to the time that this agreement is signed, and that they will not be presented hereafter. There is, therefore, no undisclosed liability in this connection, and we feel that we have all the cards on the table before us. Hereafter doubtless they may still perform services for which they will expect remuneration, but in that case these services will be performed with the knowledge and consent of the directors of the new company, which directorate will contain a representative of the Canadian Government, and unless these agreements are in advance accepted by the representative of the Canadian Government, it is not probable that they will be permitted to hold. So that in this case also the Government were freed from liability of having claims made upon them—should the road prove eventually successful—that it would probably require a very large sum of money to satisfy.

Now, without in any way impugning the good intentions of the contracting parties, it is customary in an arrangement like this to exact large security that shall be placed in impartial third hands, and shall be forfeitable in case either of the contracting parties should fail to fulfil the terms of the agreement. In this case securities to a considerable amount are to be placed in the hands of impartial trustees. I do not intend at this time to go to any great extent into an examination of those securities. That was done very thoroughly last night, and will be further done when we reach committee. It is hardly necessary to do more than enumerate: First, there is the physical mortgage on the entire Canadian Northern road, an undertaking having 5,300 miles of railway, an undertaking which, at the present time, I understand, is able to meet the fixed charges that are upon it, and which we have every reason to believe will become, if it has not already become, a profitable undertaking. In the second place there are the eighteen lots of stock enumerated in schedule 2, part 1, which at present are owned by Messrs. Mackenzie and Mann Company, Limited, free from all prior claims save the mandatory charges. These, with four exceptions, are all the stock either issued or that can be issued. They become what might be called the second line of defence, the second item in the list of securities. Then, we have the equity, which is alleged to be considerable, in a list of bonds and stocks which are held under the trust deed of 1903 which, with that trust satisfied, it is expected would realize a certain sum of money available for the satisfaction of our guarantee. And finally we have the Brockville and Westport railway on which we shall hereafter have the first claim.

There is also security which Messrs.

Mackenzie and Mann Company, Limited, have been asked to put up which does not really directly belong to this railway system, and the putting up of which they would have been justified in refusing to consider had they not been anxious to meet this Government. I refer to their equity, their beneficial interest, in their townsite properties. We understood from what the Solicitor General told us last night that the townsite properties together with the prairie lands were covered by certain securities which, if satisfied, would practically leave the townsite property free of all indebtedness. And the $10,000,000 of capital stock, and $10,000,000 of debenture stock which Messrs. Mackenzie and Mann Company, Limited, have as their share in this townsite property are placed in escrow for us and come into the list of securities which are given as pledges for the purposes of this undertaking.

Mr. LEMIEUX: Will the securities in townsites include the townsite near Montreal?

Mr. AMES: No, those I refer to are townsites throughout the Northwest. Now, securities have a dual value in an arrangement of this kind. They have their instrinsic value, the value that may be there to satisfy any financial loss which may be involved through foreclosure. But they have also the value that they are to the pledger who may be presumed at least to be very anxious to resume possession of what he has pledged. If my hon. friend from Algoma, for example owned a property worth $10,000 and I loaned him $10,000 on that property, he would naturally feel that, having already obtained the full value he would not need to pay the interest and need not care whether the mortgage were foreclosed or not. But if, on the other hand, I had loaned $6,000 and he felt that the property was worth $10,000, he would pay the interest promptly and would be anxious that the mortgage should not be foreclosed as he would look forward to the day when he might step back into his possession of the whole $10,000. It is the same in the matter of driving the bargain that we are making here; if you take from the party with whom you are dealing so large a share of what there is in it that he feels he has practically already received full value he has no incentive to endeavour to recover his possession. One of the features of this arrangement that I think should commend themselves to the House is that Messrs. Mackenzie and Mann individually and collectively will have a very great incentive which will call forth their very best endeavour to bring this great enterprise through, because if it is a success there is still enough left in it for them to amply repay them for all they may have done.

If you took from them practically everything, they would be, just as other human beings naturally would be, far less liable to put forth their every endeavour to get back into the position that they were in in the first place. So I think that when we come to consider the value of the securities, we may take into consideration both their instrinsic value and their value as an incentive to those who are putting them up to redeem them and to put themselves back into their former position.

There is another feature of this matter which, I think, is well worthy of consideration. What is to happen in case of default? We have hitherto been dealing with the situation in case of success; the Government has very carefully looked ahead in regard to what might happen in case of failure. Ordinarily it is a very slow process to foreclose a railroad and for the bondholders gradually to take possession of the physical assets thereof. The Government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly and whereby there can be no coming back for further assistance. It is definitely stipulated in this undertaking what shall constitute any event of default; it is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions contained in the trust deed as accompanying that guarantée, they would commit an event of default. Should the Canadian Northern on any of the previously guaranteed securities or hereafter guaranteed securities fail to pay the interest, they would commit an event of default. If any part of the system goes into the hands of a receiver; if any branch of the whole tree shows signs of decay, that is an event of default and in any of these events the Government can drop the axe without delay. I have heard this agreement described somewhat as a case where the culprit has confessed judgment and has been let out on suspended

sentence. Some elements of the agreement certainly can be compared with such a case. The trial is over. The applicants for aid admit that without our help they cannot complete the road. We have undertaken to give them a last chance, and it will never be necessary for them again to come here, nor will it be necessary for this Parliament to listen to another discussion such as is taking place this session. They have been tried; I may almost say they have been found guilty and let out on suspended sentence. If there is an event of default; if they fail to perform the obligations that by this new trust deed are placed upon them, the axe drops and that is all there is to it. There is a summary method, therefore, by which the Government steps in and takes possession of the whole enterprise. The Government can replace the directors by Order in Council; the new board of directors will have all the rights that would be given by a board of directors elected by the shareholders, and they can deal with the physical property as they see fit. Then, the Government can declare the mortgage foreclosed and can enter into the benefit of the equities, subject, of course, to the consent of Parliament. If the Government, in such an event, enters into control, it may become the owner of the system by assuming the responsibilities and powers as provided by this proposed legislation. The Government could then arrange the whole financial system involved so as to protect all concerned. The Government can operate; the Government can lease, or the Government can create a new railway company to manage the road and enter into ownership, if so desired.

It has been advocated in this House that the Government should immediately take possession of this system. The right hon. leader of the Opposition practically recommended that when he said that we should demand and receive a majority of the stock. If you have a majority of the stock you have control of the system, and to control the system means to assume the majority of the responsibility and practically let the other fellows out, if they care to go out. That is one way of doing it. The other way is that explained by the hon. member for Kingston, who proposes that we should immediately allow the road to go to smash and then step in and take over the physical assets and become absolute owners of the system. I endeavoured to point out before luncheon that there were many difficulties in the way, but if we now give, by this new arrangement, what practically amounts to four or five years' extension of time; if we permit Messrs. Mackenzie and Mann to make one more effort to put this thing into shape and bring it through; if, with the information which will hereafter be always at our disposal, we can see that they are not succeeding, this Government will then have ample time to consider the matter and provide ways and means whereby we can, in due course, take possession of the road if we so have to do.

To conclude, I will simply summarize in a word what I have been endeavouring to demonstrate. This is a bad situation, at the best, but it is a situation in respect of which a government in which we have confidence has no intention of lying down or shirking responsibilities. This arrangement will be either a success or a failure. It gives to the promoters of the road one more chance; it still leaves them with a considerable status and if they regain their original position the people of Canada will benefit to the extent of being the owners of $40,000,000 worth of stock, which will be then of value. If, however, the promoters cannot succeed, this legislation provides a simple and effective method of foreclosure and a short cut whereby the people of Canada can take, without expense, possession of the physical assets of the road. The Canadian Government would then be the owners of a transcontinental system which has been built at lower cost than any other; a system which ought to be able to pay if any of them can be made to pay. If it is to be sold or to be leased or to be operated we will in the next few years have time to consult the people and ascertain what their wishes may be in regard t the matter. I feel, Mr. Speaker, that the Government, having had to face an extremely awkward situation, has acted with courage, with foresight and with skill and has made the best possible arrangement that under the circumstances could be made, and therefore, deserves the support of this House.

Mr. R. B. BENNETT (Calgary): Mr Speaker, I confess that I rise with some diffidence to address this House at this time. I am not unconscious of the fact that in rising to address the House on a measure which has been submitted by a Government that I have supported, I am inviting not only criticism, but something worse; and yet I cannot by any system of reason-

ing that I can adopt bring my mind to support the proposals that are now submitted for our consideration. I am, however, a firm believer in party government. I have always believed that under democracy as it now exists the interests of the people can best be safeguarded by party government; I have not changed that view, nor have I any apologies to offer for my party affiliations. I am proud of the fact that during my manhood, since I have been able to think for myself, I have served one party. I have expended some time, some energy and what little ability Providence gave me, on behalf of that party. In doing that, I believed that I was best serving the State of which I am a unit, and I cannot better express the views which I held and which I now hold than to quote to this House the sentiments from Macaulay with which I closed the annual address that I gave to my constituents last fall. Lord Macaulay, in his farewell address to his constituents at Edinburgh, used these words:

> I acknowledge great errors and deficiencies but I have nothing to acknowledge inconsistent with rectitude of intention and independence of spirit. My conscience bears me this testimony: that I have honestly desired the happiness and prosperity and greatness of my country; that my course, right or wrong, was never determined by any selfish or sordid motive, and in troubled times and many vicissitudes of fortune, in power and out of power, through popularity and unpopularity, I have been faithful to one set of opinions and one set of friends. I see no reason to doubt that those friends were well chosen or that those opinions, were, in the main, correct.

I still hold that the friends with whom I have been associated were well chosen and that the opinions which I have held were, in the main, correct; but I venture to say that in this new democracy in this Canada of ours there must be room, in the party to which I belong, for independent spirit and independent thought, and that I must be permitted to exercise the intelligence that Providence gave me, in arriving at a conclusion as to whether or not this measure commends itself to my judgment; and if it does not commend itself to my judgment, as it does not, I purpose to give to this House and to this country some reasons for the faith that is in me. That being so, let us frankly for a moment contemplate the transportation system in Canada. There is no problem so serious, there is no problem that offers so many difficulties, there is no problem that so vitally affects the well-being and interests of the people of Canada, as does the transportation problem; and in the solution of that problem the measure which this House is now asked to consider must bear always an ever increasing importance, for what we do here to-day with this measure must have a vast and vital effect and influence upon the well-being not only of this generation but of generations of men and women yet unborn who in time to come are to occupy the great fertile plains of Canada. That being so, what is the position that confronts us? I am not concerned about the argument of how much better we are doing than some one else did. The argument that I am holier than thou is getting rather played out, if I may use a common expression.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I did not say that to gain any sympathy from my hon. friends opposite. If they read history aright they will be so ashamed of their record with respect to transportation matters that they will offer apologies to the generations yet unborn. What was the condition with which this country was confronted? A vast territory, one of the vastest unoccupied and fertile countries that the world knew, was being joined and united into a great dominion. By contract we undertook to provide for transportation between the two seaboards. We undertook that the far off seaboard of the Pacific should be united with the seaboard of the Atlantic, and in the strength of that undertaking the people of Canada, numbering but a few millions, commenced a task of a magnitude such as the same number of people never undertook before and in less than fifty-five months they carried it forward to a successful conclusion. But they did not carry it through to a successful conclusion without facing great difficulties and overcoming enormous obstacles. For, only thirty years ago last month, that great enterprise now known as the Canadian Pacific railway was faced with destruction, and the right hon. gentleman who leads the Opposition is, I think, the one survivor of this House who will remember the circumstances under which assistence was sought by and given to that undertaking. After the Canadian Pacific railway was constructed the people of the West began to demand additional transportation facilities. They cried out against the monopoly that had been created alike by statute and by agreement. They said that adequate transportation facilities had not been given to them and that the pro-

visions in the contract made with the Canadian Pacific railway were such as to preclude new lines of transportation being opened with the United States, and therefore they were deprived of the rights which they claimed as citizens to transport their products to the markets of the world at the cheapest possible rates. It became necessary for a readjustment of the contract to take place. A readiustment took place. Then it was that the Dominion Government looked towards that other means of transportation, the Hudson bay railway, and I thought it was after all a commentary upon the slow way in which human movements are accomplished when I heard the hon. member for Kingston (Mr. Nickle) reading the offers that had been placed upon the statute-book, month after month and year after year, in order that we might have a Hudson Bay railway thirty-five or forty years ago. There is no Hudson Bay railway yet. Despite the offers, and the genius and the vision of the men of thirty years ago, the road is still not an accomplished fact. These land grants were offered but there were no takers; and then it was, as has been said, that certain pioneer contractors, James Ross, one of the greatest minds in that direction this country has produced; H. S. Holt, now president of the Royal Bank; Mackenzie and Mann, then contractors of ambition and energy, and with some wealth behind them, because they had large means for those days as contractors, conceived the possibility of being able to make some money out of these enterprises. They were then not empire-builders or merchant princes; they were ordinary contractors seeking to make money out of the building of railways. They conceived the possibility of making money, and took up these charters. These roads ran largely from nowhere to nowhere, and when it is said in this House that the land grants that attached to these roads were land grants that were available to these men as contractors, on the very threshold I controvert that argument. Why? Because those grants were given to a road to Hudson bay, and the lands that were to be given were lands that had no value as fertile prairie lands, but lands which lay along the railway, not valuable in any large sense. But when, in 1907, in the month of May, after the Canadian Northern railway had been formed, certain Orders in Council were passed, then this country said: Because this company has shown some signs of becoming a national transportation system, a transportation system in the larger sense, we will allocate and allot to it certain fertile lands in the valley of the Saskatchewan, and in the Goose lake country. Hundreds of thousands of acres of land were thus made available by that Order in Council to the Canadian Northern Railway Company, not to Mackenzie and Mann, not to the men who owned the road, but to this system as such, as an assistance to enable it to prosecute the construction of the road for the benefit of the people of Canada, and especially of western Canada. That is the reason that the Hudson Bay railroad was not prosecuted with the subsidies or aids proposed to be given to it. That is the reason the Canadian Northern emerged from the position it then occupied, of a short road running from nowhere to nowhere, offering no adequate facilities, into a road stretching out, branching out, reaching out, extending, if you will, ultimately to Edmonton. This road at that time had not become a national undertaking. It was, however, a road offering some transportation facilities to the people. It had not offered great facilities, as my friend from Kingston said yesterday —and in order to shorten my address I desire to adopt in its entirety the statement made by him yesterday, for which I accept absolutely as much responsibility as he— I accept full responsibility for the accuracy of his statement because you will find that every word and figure he used in reference to the history of aids given and subsidies granted and guarantees of securities are absolutely borne out by the statutes of this country. Every line has been checked and rechecked and I accept with him full responsibility for their accuracy. He pointed out that it was because the little province of Manitoba was demanding more transportation facilities that we now have the Canadian Northern system. He referred to the part taken in that enterprise by my hon. friend the Minister of Public Works (Mr. Rogers). I would say in all seriousness, to the people of this country and the members of this House, that I think we little realize just how large a debt we owe to that hon. gentleman in regard to transportation matters in the West.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: My hon. friends who applaud perhaps do not know the facts. I know something of the facts. I think no man knows them all because they are locked in the hearts of many men; but there are one or two solicitors, one or two lawyers,

one or two great counsel in St. Paul to-day who will tell you that, almost repudiated by the Government to which he belonged and by those who held high place and office, the Minister of Public Works assumed the responsibility of signing a contract by which Manitoba acquired the branch lines of the Northern Pacific railway in that province, and after Manitoba acquired the ownership of the lines he had to look for and found somebody to operate them.

It is true the Canadian Pacific offered the province of Manitoba $1,000,000 on their bargain and a reduction in freight rates. It is also true that the contract then made for a reduction in the rate on wheat to the head of the Great Lakes secured to the people of western Canada a reduction in freight rates that has since amounted to not less than fifteen or twenty million dollars. I point that out, Mr. Speaker, because it seems to me right that it should be pointed out, and that honour should be paid where honour is due. Such was the beginning of the career of two men, if not three, that challenges its parallel in the history of the world. I appeal to every man in this House and say that if he will take the time to read the history of the operations of Mackenzie and Mann from that time till now, he will find nothing but a long trail of parliamentary corruption, of lobbying, of degradation of parliamentary institutions, of the lowering of the morale of public life, and the degrading of those standards by which public life should be truly measured. Both sides of the House have been to blame. Look to the statute books for the aid that has been given to this company. Just a few days before a general election, one party proposes and the other acquiesces. They are bound to ask a few questions in order that the contribution to party funds may be large enough. Let us look the business squarely in the face. The time has come when we must take stock of the conditions, and now faced as we are with conditions such as we never met before, we must decide whether we will continue to add to the predatory wealth of promoters or whether we shall strike a blow for the people of this country. That is the condition that confronts us at the present time, and it is to that question I propose to direct my remarks. No man occupying a high position has ever had greater problems and difficulties confronting him than the present Prime Minister. My right hon. friend the leader of the Opposition had no such problems to solve when he came into power. This Government inherited difficulties sufficient to stagger any government. We realize, Mr. Speaker, the difficulties this country is confronted with, and they are not entirely undue to the party opposite and the men I have mentioned. My hon. friend who has just taken his seat (Mr. Ames) says we are not concerned about the men. In all the history of transportation there has never been an enterprise before where two men, or three, have endeavoured to control a transcontinental system. When the Canadian Pacific Railway Company was launched, its stock was placed on the markets of the world. When other enterprises were launched the stock was placed upon the markets of the world. But these men conceived an ambition greater than any man in this country had hitherto conceived, greater even than that of Huntington and his associates in the case of the Central Southern Pacific. These two men conceived the ambition of having the people of Canada build a transcontinental system which they would control and own. That is the position, and that is what we must face. When the Northern Pacific line fell into their hands, they extended it on to Edmonton with a line to Port Arthur. They then had a complete system that extended from Edmonton to Port Arthur comprising now with many branches nearly 5,000 miles of track. I regard J. J. Hill as a man of some genius in transportation matters; yet in his wildest dreams he never conceived the idea of carrying the Great Northern down to New York. Gould conceived the possibility of carrying his rails across the continent but was unable to do it. Huntington conceived the idea of carrying the rails of the Southern Pacific from the Atlantic to the Pacific coast, and joined the Gulf of Mexico with the Pacific coast. He accomplished that with the aid of governments, and of those who invested in the securities of the road. But Mackenzie and Mann conceived the ambition of uniting the Atlantic and the Pacific oceans at the expense of the people of Canada, while they owned the road. That is the position; we cannot get away from it.

The Prime Minister said that the Canadian Northern railway in 1903, by reason of the threatened construction of the Grand Trunk Pacific and the National Transcontinental railway, was confronted with the difficulty of getting traffic. That was the moment the people of this country should have decided that there was not room for three transcontinental railways. There are always two reasons why men do not vigorously oppose certain things. Men are

human. I have been in politics long enough to know that the mainsprings of human action are not always in accord with the highest moral ethics or the teaching of the Sunday school. After the Government of the right hon. leader of the Opposition had committed itself to the construction of the Transcontinental from ocean to ocean, the Canadian Northern enterprise was threatened with extinction. The genius of a man, who is now no more, foresaw that there was not room in Canada for three transcontinentals. My right hon. friend the leader of the Opposition believes that there is room in Canada for three transcontinentals at the present time. I am not a pessimist; I am an optimist, but I take issue with him at once on that point. The history of transportation is simple; there is a limit to the producing and consuming power of the people. It all, therefore, depends on the population of the country and I say that not in history, in the most fertile territory where traffic is produced by the hundreds of thousands of tons to the mile has it been possible for 10,000,000 people to support three transcontinental railways. Do you realize, Mr. Speaker, that we have over 30,000 miles of railway under operation in this country. That is exceeded only by the United States, and by the Empires of Russia and Germany, and by British India. Canada, with less than 10,000,000 of people, has at the present time, or will have at the end of this year, more miles of railway under operation than any country in the world except those I have mentioned. Is it possible for a single moment to conceive that this country can support three transcontinental railways under those conditions where the earnings, to make possible the payment of the fixed charges on the roads to pay the interest upon the outstanding securities, must reach the enormous sum mentioned by Mr. Phippen in his argument before the Railway Commission and quoted to this House last night. The mandatory charges that must be paid by the Canadian Pacific railway are relatively small because they have converted bonds and debentures into ordin-

4 p.m. ary stock, so that four per cent consolidated perpetual debenture stock and ordinary stock have taken the place of bonds, and the bonded indebtedness is becoming smaller and the mandatory charges are therefore becoming less. The Canadian Northern has fixed charges amounting to over $12,000,000, but I shall deal with that later. The National Transcontinental Railway system, when completed from Prince Rupert to the Atlantic will have fixed charges that I will not venture to mention for I do not know nor do I think does any one else. But, Sir, it is not possible for 10,000,000 people to produce and consume sufficient traffic to pay those fixed charges unless a miracle happens, unless the country changes entirely, and the population is suddenly increased. Ten million people cannot do it. That is the condition confronting this country. The late Government, doubtless inspired by splendid motives, desired to build a line from Prince Rupert to the St. Lawrence wholly in Canadian territory. They have built a line the cost of which has become so enormous as to stagger one's imagination, and the fixed charges on which will be so large that I cannot conceive the possibility of the road ever earning them. What is the position to-day? A partially completed Grand Trunk Pacific, and a partially completed Canadian Northern railway. Then you have the Canadian Pacific railway being extended, rebuilt and made stronger day by day, so strong in fact that what is the greatest asset of the country, in my judgment, is also its greatest menace as far as transportation is concerned.

The late Government gave the Canadian Northern a guarantee to enable it to build from the head of the lakes down to the St. Lawrence. In some countries that may be called statesmanship; but if I were to undertake to characterize it I would be obliged to describe it in harsher terms. I have no doubt that the men who granted that guarantee believed that it was essential that this road should be built. But all it meant was that the boundless ambition of two promoters obtained control and overturned the sanity of the Government.

That is the situation which this Government had to meet. They did not create it, but we must face it. Difficulties belong to governments and they must be grappled with by the men who hold power. On that statement of facts, what must be done? Last year and the year before we were induced to grant extensive aid—I am sorry to say it—to this Canadian Northern system. I voted for it on a statement of facts that, I am bound to say, I did not believe. I voted for it on a certain statement of facts which was presented to me as being true, which I did not believe to be true,

but fortunately, or unfortunately, I voted for it. I was negligent as far as that is concerned. I failed in my duty as a member of this House last year. My duty last year was to point out what I am going to point out this afternoon. I failed in my duty then, but I am not going to fail again. I did point out then—although I did not do it in this House—that it would take $100,000,000 to finish that system. That statement was laughed at. I knew that these men would be back here. Some people describe them as empire builders, wizards of finance, merchant princes, etc., but if I were asked to describe them I would describe them as Mackenzie and Mann, mendicants. Ever since I have been in this Parliament all they have done has been to get down on their knees and beg. That is a beautiful sight, is it not? Is that uplifting, is that elevating, is that calculated to advance the interests of democracy? Is that the kind of thing that should be going on in these legislative halls? Yet that is what has been taking place since I have been here. I have in my hand an article written by a Washington correspondent in 1896, and this is what he says:

> The most pitiable and at the same time the most disgusting spectacle that now offends the national capital is the Huntington lobby. The list of paid lobbyists and attorneys now number twenty-eight, and their brazen attempt to influence Congress to pass the Pacific Railroad refunding bill have become the disgrace of the session.

It only means that there is a change of time and a change of place—1912, 1913, 1914! We have listened to the voice of the tempter. We granted aid to these men at last, and we are confronted with a difficulty the most serious that has ever confronted the people of Canada. This is the greatest problem of domestic politics that we have ever had to consider.

Before we consider what this country should do, I ask the hon. members of this House to go with me on an imaginary trip from Montreal to Vancouver via the Canadian Northern railway—system, they call it, but I would call it a lack of system. You commence at Montreal at the terminal, in the tunnel. Mr. Speaker, have you read the advertisements in the newspapers regarding the exploitation of the townsite there? My friend the ex-Postmaster General (Mr. Lemieux) asked yesterday: Who got the money out of it?

Mr. LEMIEUX: Hear, hear.

Mr. BENNETT: My hon. friend may well say 'hear, hear.' I do not know whether my hon. friend means by that that he benefited, but I do not think he did. I cannot conceive that he did. I think it might perhaps equally well be said 'hear, hear' and 'there, there,' because I suppose many benefited who bought lands and sold them. Who owns these terminals?—the Canadian Northern Railway Company of Canada—no; the Canadian Northern Quebec?—no; the Canadian Northern Ontario?—no. In the railway committee we had a Bill for consideration providing that the Canadian Northern, the Canadian Northern Quebec and the Canadian Northern Ontario should lease these terminals. On what basis? On the basis of paying the interest on the capitalization in bonds of the terminal company and the providing of a sinking fund. When that sinking fund has paid the bonds, of course the capital stock would have some value. I do not know at the present time, because that Bill has been held up, what the exact condition is, but this I do know, that there is a terminal company bonded to death about which there has been a real estate exploitation which made millions, not for the terminal company or the railway company but for many—I do not know whom—and this country is now asked to come to the relief indirectly of this terminal company. That is what it means.

The hon. Solicitor General (Mr. Meighen) said last night that it was generally regarded as good railway practice that the terminals should belong to one company and the railway to another. I would not like to join issue upon any statement that he might make except that I might point out to him that the greatest terminals that have been built in America in recent years —those of the Chicago and North Western railway in Chicago and those of the Pennsylvania railway in New York city—are examples to the contrary. Who owns the Pennsylvania terminals? The genius of Cassett, who was then president of that great railway system whose earnings at times amount to one million dollars a day, did not think it good business to create a terminal company to control the New York terminals and as a result those terminals are owned by the Pennsylvania Railway Company. The Chicago and North Western system terminals in Chicago, which challenge your admiration by reason of their beauty and the facilities that they provide for the public, belong to the North Western system. The New York Cen-

tral Railway terminals belong to the New York Central and Hudson River railway, the Canadian Pacific Railway terminals at Windsor street, Montreal, belong to the Canadian Pacific Railway Company and the Bonaventure station, the poor terminals of the Grand Trunk, belong to the Grand Trunk Railway Company and are used jointly by the Intercolonial railway. When we were getting another great terminal in the city of Montreal provision should have been made for the joint use of that terminal by the Government railway, the Canadian Northern railway and also the Grand Trunk railway, because, if you can get union terminals for traffic, you reduce the fixed or rental charges against the railway and you thereby render it possible to reduce the carrying charges to the people. We advocate joint terminals and union stations because in these days of high values of city real estate and enormous cost of construction the only way in which charges can be lessened is by having a large number of railways running into one terminal. I, therefore, join issue when it is stated that it is sound railway finance to have separate companies to own and operate the railway and the terminals. It is sound finance for the promoters. It affords one more opportunity—

Mr. MEIGHEN: Would my hon. friend say who owns the Mount Royal Tunnel and Terminal company?

Mr. BENNETT: The Mount Royal Tunnel and Terminal company.

Mr. MEIGHEN: The Canadian Northern railway owns all the stock in that company.

Mr. BENNETT: If so, so much the worse because it affords an opportunity for an exploitation to the extent of a few million dollars for the benefit of the promoters. I am glad to see that the Solicitor General has become the advocate of these two men. Before I finish he will regret that he has become their apologist. The Canadian Northern may own the stock of this terminal company but, why could it not own the terminal in the first instance without creating another company? Why, these companies within companies; why these interlocking companies?

Mr. MEIGHEN: I explained that.

Mr. BENNETT: If the hon. gentleman calls it an explanation, I do not dignify it by that term. He may dignify it by calling it an explanation; but it exceeds my intelligence, weak and feeble though it may be, to understand his explanation.

To proceed, I have left the terminal; I have moved out on the Canadian Northern Quebec rails. Where do I get to? I get up to a point called Hawkesbury, and I leave the Canadian Northern Quebec railway and I want to know what sort of a railway I have passed over. It is the Canadian Northern Quebec, not even a solvent line. The report in Poor's Manual, to which I shall presently refer, shows that the Canadian Northern Quebec last year did not pay its fixed charges; and my information, correct or incorrect, is that it owes the province of Quebec $300,000 for taxes. Yet we are entering into partnership with that sort of company.

Now I move out from there to the Canadian Northern Ontario, and where do I get to? I move west until we get to Port Arthur. I pass over this line, of which my hon. friends opposite guaranteed the bonds. They tell us it is a beautiful line. I can only say this, that I looked at the profile, that I saw the gradients; that I saw something of the character of the line, and I desire to say that, so far as that profile and those plans show, it is an excellent line. But it traverses a territory that will not be productive, so far as I can see, of any substantial traffic. That is the report given to me by the men who are building the line. When I arrive at Port Arthur, I go into the Port Arthur terminal and into the Port Arthur hotel. My eye may catch a grain elevator and I say: To whom does this belong? I am told that it belongs to the Lake Superior Terminals Company. I look at another elevator and I am told that it belongs to the Dock Company; and I find other facilities, all of which are held by separate companies. Why? I am going to show you why—it is the only way in which these unpaid contractors, these poor men, who for eighteen years have laboured in season and out of season, night and day, who have toiled without pay, can make a dollar. Then we leave Port Arthur; we leave the Canadian Northern Ontario guaranteed by the Dominion, against which there are outstanding various classes of securities, to which I shall presently refer, and we go on the Canadian Northern proper to Winnipeg. We traverse that line, to the physical condition of which I shall presently refer and we arrive at the Winnipeg terminals jointly occupied by the Grand Trunk Pacific, the Government of Canada and the Canadian

Northern. Then we go to Edmonton on the Canadian Northern proper; we leave that city on the Canadian Northern Alberta and traverse that road from St. Albert to Yellowhead Pass. Leaving Yellowhead Pass you go on to the rails of the Canadian Northern Pacific and traverse that line down to Vancouver. There we get into the Vancouver terminals, presenting again another corporation. We travel across by boat to Victoria, and we reach the terminals of another company. We have thus traversed over all these companies' lines in order to go from one end of the country to the other. Everyone has to have its separate and corporate identity maintained; and the right hon. the leader of the Government is wrong—I say it with deference—when he says that these roads can be amalgamated, and he is wrong for these reasons: Their separate identities must be preserved because of the bond guarantees outstanding, rendering it necessary for separate accounts to be kept. For instance, the Canadian Northern Alberta, guaranteed by the Dominion, must keep separate income and expense accounts in order to know whether or not there is a deficit on its bond interest. The Canadian Northern Pacific must do the same thing; the Canadian Northern proper, with its branch lines, the same thing; the Canadian Northern Ontario, the same thing; the Canadian Northern Quebec and the terminals the same thing. All these companies must keep separate accounts, duplicate books. Economy and cheapness, my hon. friends say, but I say, multiplication of the things which go to make railway operation expensive, rendering it necessary for them to keep separate sets of books, to have separate directors and separate managers. All these may be small, but in the aggregate they amount to a great deal. All this must be done, and in this age of consolidation we are told that this plan of segregation is the least expensive. The other day the Railway Commission of New York authorized the New York Central and Hudson River Railway Company, to consolidate with other railways, with a capital of, I think $600,000,000. Segregation increases the cost, because it renders necessary the multiplication of the keeping of accounts for the reasons I have mentioned. For instance, it may happen that the Canadian Northern Pacific will lose money, while it may be that the Canadian Northern Alberta will make money. It is essential that these two systems should not be joined together, for the reason that the underlying securities might then have to be dealt with by the courts. In the case of the Pere Marquette system, in Michigan, the question of underlying securities came up, and the matter had to be dealt with by the courts. Consolidation and amalgamation in these respects would be utterly impossible unless indeed you have a company willing and prepared with financial standing to accept the responsibility for the fixed charges of every part of the system. That is the reason I offer, with deference to my right hon. friend, why there can not be amalgamation of these lines into one system except by foreclosure and sale.

With that condition in front of us, let us analyse the legislative conditions. Leaving Vancouver, you have the terminal securities guaranteed by the province of British Columbia for $10,000,000 at 4½ per cent, or $450,000 a year. That means that over $1,200 a day has to be earned to pay the interest on those terminals at Vancouver. You journey up the line and you have to earn what? You have to earn the interest on $45,000 a mile at 4 and 4½ per cent, to pay the fixed charges as far as Yellow Head Pass. The line, it is said, is good; the grades are perfect; the cost of construction is great, because, it is said, it is the finest road that has yet been built. That I do not know. All I know is that last year I journeyed especially to look at certain parts of the line and I know that certain parts of it between Kamloops and Vancouver along the Fraser river that do not slip into the river in the spring manage to get there in the fall. It will require an enormous expenditure of money in the building of retaining walls to bring portions of that road to a proper state of efficiency.

What is the legislative difficulty that here confronts us? I look at the statutes of the province of British Columbia and I find that, in the year 1910, the province made a solemn bargain with the Canadian Northern railway and the Canadian Northern Pacific Railway Companies, and in the succeeding election that bargain was practically unanimously approved by the people of British Columbia. I am going to point out that this Parliament proposes to lay unholy hands upon that bargain, and to say to the people of British Columbia: we know more than you. I deny the right of any federal power to deprive the people of a province of the right which they exercise under the constitution. I stand here and make my protest

against this Parliament declaring the Canadian Northern Pacific to be a work for the general advantage of Canada under this Act, because by turning to section 17 of the British Columbia Act, I find clearly stated:

> The Northern company agrees that the Pacific company will agree that the Pacific company shall not, and the Northern company agrees that it will not, at any time apply to be declared a work for the general advantage of Canada.

How, in face of that statutory agreement by the Canadian Northern Railway Company and the Canadian Northern Pacific Company with the people of the province of British Columbia, are we to do this thing? I say there is no point more clearly established than that provincial rights must be maintained. The autonomy of a province is quite as much to it constitutionally, when it is in the wrong financially, as the autonomy of a province is to it when it is in the right. The province of British Columbia is not asking us to do this thing, because it cannot do it without breaking this solemn contract. In any event the legislature and not the Government must act. The Canadian Northern Railway Company cannot do it and the Canadian Northern Pacific Railway Company cannot do it without breaking this solemn contract.

Then, why should we do something which the covenant of two railway companies says we shall not be asked to do, and which the Government of British Columbia said should not be done? That is the first question. I am against this measure so far as it declares this work to be a work for the general advantage of Canada, because it is an interference with provincial rights, because it interferes with the autonomy of provinces, and because it is a violation of a contract made between a railway company and the representatives of the people, which contract has since been approved of and validated by the people themselves in a general election.

Now, leaving that, we come to the Canadian Northern Alberta, and that road's bonds are guaranteed by this Dominion. We must do something to take care of them. The main line guarantee need not give us any concern, because our guarantee is only $13,000 a mile, annual charges less than $550 per mile, which is not a matter of great concern or importance—we know they will take care of themselves.

Then, from Port Arthur to Ottawa we have the Canadian Northern Ontario. The bonds of that company also are guaranteed by the Dominion, and Mackenzie and Mann say they cannot build the line. Now, I ask my hon. friends, why should we interfere with the guarantees of provinces, whether they be Liberal or Conservative in their administration? Why should not we concern ourselves with our liability under our own guarantees? In other words, I say we have no right to interfere with Alberta, Saskatchewan or Nova Scotia. What interest have I, living on the prairies, in the Halifax and Southwestern railway? An hon. gentleman near me suggests I am a Canadian. But I have no interest as a Canadian financially in that railway, because this Government is the trustee for Canadians as Canadians, but the Government of Nova Scotia is the trustee for the people of that province. The Government of British Columbia, when they made their bargain, were the trustees for the people of that province, and so with the Government of Alberta for the people of Alberta. My hon. friend from Kingston (Mr. Nickle) pointed out the extent of the guarantees given by the various provinces and by the Dominion. I say that guarantees have been given recklessly, absolutely recklessly, in western Canada. The only province absolutely free from peril in that regard is the province of Manitoba, because on the old lines the guarantees were only $8,000 and $10,000 a mile and because of the lease of the Northern Pacific lines. But west of Manitoba there is danger and peril to the body politic by reason of the recklessness of the guarantees that have been given. I ask, what is going to happen if the Dunvegan road defaults? There are other roads there, besides the Canadian Northern railway and the Grand Trunk and the Canadian Pacific. There are two lines of road whose bonds are guaranteed for $20,000 a mile, or $1,000 a mile per annum fixed charges. Is this Government going to save these also? And if so, if we are going to pay the piper, why should not we exercise some control and some discretion? The Chairman of the Railway Commission pointed out a few days ago that one of the greatest evils in Canada to-day was the duplication of lines, and he said that would have to be dealt with. If that be so, why should we put ourselves behind the guarantees of all these provinces for this road forgetting that there are other roads in the same position? I say that as a matter of law it is unsound; as a matter of policy it is unsound, in every way you view it it is

unsound. Why? Because it is bringing upon this Parliament untold responsibilities with the creation of which we had nothing to do and with respect to the carrying out of which we know nothing. I wish to make that clear at the very threshold of this matter. That is to say, if I am correct—and I do not think you can possibly get away from it—on the 1st of January of this year, this Dominion and this Parliament was confronted with a liability under our guarantees for the Canadian Northern Alberta, the Canadian Northern Ontario and the main line of the Canadian Northern railway. The main lines will take care of themselves as I have indicated and will provide for the underlying guarantees in some cases Dominion and in some cases provincial. So far as we are concerned we need be apprehensive only of the ability of the contractors to finish the two lines the Canadian Northern Alberta and the Canadian Northern Ontario. Now, these companies are solvent, or they are insolvent. The Solicitor General told us last night they were insolvent. The Government has investigated the matter and finds that they are unable to carry out their undertakings. If that be so, what follows? A receivership follows; and this Parliament is sitting here to-day to advance money practically as though we were advancing it to a receiver. What is a receiver? He is an official appointed by the court to stand between the security-holders on the one hand and the property on the other; to see to it that the property is maintained and operated for the benefit of those who advanced money to make its construction possible. We have a road in a forward state of completion, but it is insolvent—they tell us absolutely insolvent; they cannot raise money, they cannot finish the road, and they come to you and me sitting here as the high court of Parliament and ask us to advance money practically to somebody as receiver. But the road is under contract. Who are the contractors? Mackenzie and Mann Company, Limited. Are they insolvent as contractors? Where is the statement of their liabilities and assets? Reports say that they have $50,000,000 at least of assets. If so, let them pay their debts and build the road as contractors. I put this proposition before you, Sir, and this House, as a legal proposition: Either there is a contract to build this road or there is not. If there is a contract let us call upon the contractors to finish their work and if they cannot finish their work let us take an assignment of their assets as security for the money we shall advance. Let us put this position squarely: John Smith contracts to build your house. After construction has proceeded a certain distance, John Smith comes to you and says: I cannot finish my contract. John Smith goes to the bank and says: I cannot finish my contract; but I have a lot of assets that will come into value very shortly, a very large number of assets; I do not know exactly where I am at, but I must have some money. The banker says: Assign me your contract, assign me your assets, and I will see what I can do to find money to finish your contract. Is not that what would happen? But what we are doing is handing out to these men money, true under certain restrictions and reservations, but without inquiry as to their ability to fulfil their contract. I say with all deference, how are you going to get away from that? Either these men are contractors or they are not contractors. They are spoken of as contractors, and I want to emphasize this: If they are contractors we must have evidence why they are not finishing their work; and if they are unable to finish their work, we as bankers should demand an assignment of every security they have before we give them a dollar. Is not that a banker's business? Take the other horn of the dilemma. Say that the company is building its own road and is insolvent. What follows? If the road is insolvent, it must go into the hands of a receiver. But, for reasons mentioned by the Prime Minister, and with which I agree; for reasons mentioned also, by the leader of the Opposition, and with which I also agree, this country cannot afford to let the road get into the hands of a receiver. If so, then let us act the part of a receiver. That is all I ask. Why should we depart from well known legal principles, from well known legal rights, from well known legal positions, merely to please two promoters? I leave that to the House. Let us get on. The Government says: We propose to grant $45,000,000 to these men at four per cent on certain well defined principles, and they lay them down. My friend the Solicitor General says: Here is the mortgage we are going to take; and the mortgage has certain constituents and factors that constitute the security that is to be given. I agree with that; it is perfectly clear that he has taken all the

security he could get, except the security of the men who are responsible for this disaster. That security has not been taken, I ask that it should. Surely my hon. friend was wrong when he said that first of all, on entering into this matter, he reduced the capital stock of this company. If he will turn to page 34 of the blue book he will find that he has not reduced the capital stock of the Canadian Northern in any way, shape or form. We find on page 34 that there is vested in the Canadian Northern Railway Company or in persons who hold it for them in trust, $45,000,000, and $45,000,000 subtracted from $145,000,000 leaves $100,000,000 of stock of the Canadian Northern railway and constituent companies that is now to be represented by the capital of the Canadian Northern. You are exchanging that for $100,000,000 of water in the proprietory companies. You forget to recognize that the Canadian Northern already owns part of this stock and that $8,000,000 of it belongs to other people whom we cannot get at. So that on page 34 of the blue book you find the facts stated as follows:

Issued capital stock of the Canadian Northern Railway System, $145,778,500.
Issued Canadian Northern Railway stock $77,000,000.
The stock of the Subsidiary Companies is the difference between these two sums, viz., $68,778,500.

From the third column you will observe that $45,000,000 of the $68,778,500 is already held by or in trust for the Canadian Northern Railway, so, that when that company acquires $23,000,000 more stock in the subsidiary companies, it will own all the capital stock of the subsidiary companies. The purchase price for this $23,000,000 of stock in the subsidiary companies is to be $23,000,000 of Canadian Northern Railway stock, whose capital will then be increased from $77,000,000 to $100,000,000. Instead of a reduction of capital stock, there has been an increase; instead of taking water from it, you have put water into it.

But that is not all, Mr. Speaker; let me proceed a step further. I want hon. gentlemen to turn to the schedule of the resolution itself, and to examine closely the kind of stock we are getting. The first company mentioned is the Bay of Quinté Railway Company. One would think that is a rather valuable company. Let us refer to Poor's Railway Manual, page 1657, and see what we are getting. I find that instead of getting an asset we are getting a liability. This manual says that since 1908 the road has had a deficit. Here are the figures:

Capital account and income, Bay of Quinté railway. Mileage, 86 miles. Deficit for the year 1913, $32,000; 1912, $10,000; 1911, $5,000; 1910, $27,000; 1909, $36,000; 1908, $38,000.

Rather a good thing to exchange the stock of a company worth nothing for stock in the Canadian Northern, is it not? The Bay of Quinté railway, the first company mentioned of the Canadian Northern Railway system, has had a deficit—could not pay its fixed charges—since 1908. According to the returns published in Poor's Manual, that stock is valueless. There is something else I am going to point out further on in the agreement which this has an effect upon, because this company is in default before you start to sign the agreement. Is it not a beautiful thing to say that you have the right to exercise the power of foreclosure and take control when the very documents you sign show default before you sign them. That is perfectly absurd. But that is not all; let us go a step further.

Not only is it a fact that the Bay of Quinté railway has had a deficit all these years, but if hon. gentlemen will be good enough to look up the figures, which may be found in sessional paper No. 269c, they will find a statement of the floating liabilities of the railway companies embraced in the Canadian Northern Railway system and that the floating liability of this small company amounts to $173,114.58. That is, the floating liability of that road really represents accumulated deficits. The capital stock of the Bay of Quinté Railway Company, $1,395,000—and it is not worth anything—is converted into Canadian Northern stock of the par value of $1,000,000 and over. Surely the Government does not intend to do that. The Prime Minister was good enough yesterday to say that he would listen to any suggestions that might be made. The first suggestion I have to make is that the Bay of Quinté railway stock be wiped out of this transaction as quickly as possible because you are being asked to take over the stock of a road which is already in arrears in its interest charges, on which there is a deficit, and the stock of which, amounting to $1,395,000, is being exchanged for over $1,000,000 of Canadian Northern stock. Speaking as a man from the West, I do say this: The constituency which I represent will object to their freight rates being based

upon the payment of any dividends upon that $1,000,000 of Canadian Northern stock.

Let us now take the next road, the Canadian Northern railway. I have here the annual reports of the Canadian Northern system since it became such, and turning to the last report, what do I find? I find over the signature of Mr. Hanna and Sir William Mackenzie a statement of the financial position of the road. I find that on June 30, 1913, they had a cash surplus of $6,778,384.65 and a land account surplus of $16,930,835.01, a total alleged surplus of $23,709,000. Where is it, Mr. Speaker, that is what I want to know? Before I vote for this measure I want to know where that surplus is. Perhaps some of my friends will be able to tell me now; it will afford me much gratification and pleasure and make it easier for me to know just where it is.

Mr. MEIGHEN: If the hon. member had listened to me last night he would have heard me say that this money was drawn on equipment trust, practically a payment on capital expenditure.

Mr. BENNETT: I am going to deal with that. Unfortunately, that is the story they tell, but it is not true. The difficulty with my hon. friend is that he is taking the statements of these men as facts, when I know they are not facts, as I am going to show before I finish. I want to ask this question here and now. Last year we were told that the $15,000,000 which we were giving to the Canadian Northern would finish the road. It has not done so. We have been told that continuously, year after year, and this is the question I ask the Solicitor General: Since when did a fraudulent representation constitute a basis or foundation for an application for further aid? Since when did bogus surpluses and false accounts constitute a groundwork and foundation upon which to lay a claim for the use of the collective credit of the people of this country?

The floating liabilities of the Canadian Northern Railway Company are said to be $6,565,652.61. After paying the floating liabilities, there will still be a surplus of over $100,000, outside of the land grant surplus of $17,000,000. Are they insolvent or solvent? If they have a surplus of $23,000,000, obviously they are not insolvent. If they have floating liabilities of $6,500,000, obviously they are insolvent. 'You pays your money and you takes your choice,' as they say at auction sales. There is their annual report sent to investors in England. Here is the report made to the Parliament of Canada. Here is the report you make to those you get money from; here is the report to those you want money from. Here is the mendicant, there is the promoter. What are you going to do about it? I want to know what this House is going to do about it? There, stripped of everything, is the story. I am going to deal with this notorious and nefarious Equipment Trust in a moment, because I should like to remind the Solicitor General that this surplus of railway operations is not for one year but is the accumulated surplus of the system, and there are ten reports showing that the surplus was carried forward from year to year and had reached the amount of $6,778,384.65, after paying every equipment trust bond that was due. Let that sink into my friend's mind. I direct the attention of the Solicitor General to the fact that of the fixed charges that were paid by that company as set out on page 14 of this statement, they paid equipment trust securities in full and still had a surplus left according to that. How does he make that out?

Mr. MEIGHEN: All right.

Mr. BENNETT: How do you make it out? There is the story written broad upon the face of that report and I say--

Mr. MEIGHEN: That is just what I said. I did not contradict that. That is absolutely true.

Mr. BENNETT: Then my hon. friend contradicts himself.

Mr. MEIGHEN: No, I contradict you.

Mr. BENNETT: This is a matter which might as well be threshed out now. The Canadian Northern Railway Company issued its eleventh annual report on October, 1913. In its statement of income for the year ending 30th of June, 1913, it shows its total revenues and expenditures to have been upwards of $30,000,000. It shows that the company carried forward from the previous year a surplus on operating account, leaving a credit balance of $5,986,553.29 on the 30th of June, 1912. It says it met every equipment obligation that year. It shows that after paying all these epuipment, trust and other charges the company had left a surplus on operating account of nearly $1,000,000 which they carried forward, making a total surplus at the end of the year, after paying all equipment trust and other obligations of $6,778,384.65. Is that true or false?

Mr. MEIGHEN: It is true.

Mr. BENNETT: If it is true, then how could the payment of equipment bonds have exhausted the surplus which they had in June last?

Mr. MEIGHEN: You have only the interest there.

Mr. BENNETT: That was all the payments that were made.

Mr. MEIGHEN: Oh, no, that is where you fall down.

Mr. BENNETT: I shall turn up the report and read it in order that there may be no misunderstanding about it. I have been too long at this business to be fooled with that story. Here is the report:

Deduct fixed charges as per statement on page 17.

And you will find there a complete statement of all the payments for fixed charges and equipment securities. The fixed charges are stated upon the mortgage securities, the consolidated debenture stock, the Qu'Appelle, Long Lake mortgage securities, and the land grant securities. My friend knows better than I that equipment trust securities are payable annually out of the income of the Company and that this method of acquiring equipment is one largely adopted by railways in all parts of the world.

Mr. MEIGHEN: It meant the fixed charges as it says. Does my hon. friend think that the fixed charges include payment of capital?

Mr. BENNETT: All I can say is that in railway finance the payment of equipment trust obligations is regarded as a fixed charge. My hon. friend has, no doubt, much knowledge of railway matters and will not be able to learn from so great a book as Poor's Manual, but I shall turn it up and leave it to him. Here is what we have. At page 1663 of Poor's Manual for 1914, you will find this regarding the Canadian Northern:

Funded debt, including debenture stock, June 30, 1913, bonds, rebenture stock and car trust obligations.

And in connection with this car trust there is a beautiful story which I shall tell about the Imperial Rolling Stock Company, which is Mackenzie and Mann under another name. Poor's Manual says that payment of these car trust liabilities constituted a fixed charge against that company's revenue. And what is it? The equipment obligations are payable in instalments, the instalments representing the measure of depreciation and the rent of the equipment. I am only saying that is what this book says, and I prefer Poor on railways to Meighen on railways.

Mr. MEIGHEN: That is not what the book says at all, that is what my hon. friend says.

Mr. BENNETT: I shall read from the book.

Mr. MEIGHEN: The book does not say —I do not wish to be obnoxious to the hon. gentleman and would not interrupt him had he not invited me to do so—the book does not say at all that payments on equipment trust are in lieu of depreciation. They are payments on capital.

Mr. BENNETT: They are not payments on capital. I am going to argue this matter as if I were in a court. This is the high court of Parliament. There are three ways in which equipment is purchased. Equipment, comprising railway locomotives and cars, is bought outright, sometimes charged against capital when capital can be obtained cheaply and sometimes not. Then, second, you have equipment purchased on what is called the lease system. Any member of the House who goes to Montreal tomorrow on the Grand Trunk, if he walks up to the locomotive will find a strip of brass on that locomotive reading. 'The property of Blair and Company.' If you go on the Wabash to Chicago and look at a locomotive you will find a tag of the same character. On cars you will find tags indicating that a car trust has been established or that the property has been leased. The provisions of the lease ensure the payment of an adequate rental over a period of years; the upkeep of the equipment, its insurance, and at the expiration of the lease the property usually passes to the Railway Company, but in the meantime it is of course owned by the lessor. Then there is the system by which equipment trust bonds are issued secured by a mortgage on the equipment. This differs from the lease system in that in the one case the equipment is the property of the lessors, in the other case it is the property of the railway company subject to the equipment trust mortgage. After the initial payment on account is made the balance is usually paid over a period of years representing the lifetime of the equipment I shall now turn

to what the Imperial Railway Stock Company itself says.

Mr. MEIGHEN: You have not read that out of Poor's Manual.

Mr. BENNETT: No, because it would take a long time to deal with it.

The Philadelphia plan is the one I first mentioned. Let us turn to Poor's Manual, page 1666:

Car trust obligations outstanding, June 30, 1913 (total, $19,501,500):

All equipment series as described above are issued by the Imperial Rolling Stock Company, Limited, and are unconditionally guaranteed as to principal and interest by the Canadian Northern Railway Company. The Imperial Rolling Stock Company, Limited, holds the title to all of the equipment for the partial payment of which each series is issued, until the railway company has paid off the last bond of said series, assigning and pledging the titles to the trustee of the mortgage to be held in trust for the bond-holders. Trustee of all series: National Trust Company, Limited, Toronto, Ont. The bonds are in coupon form, and are registerable as to principal. Interest is payable at office of the Canadian Bank of Commerce, Toronto, New York and London, Eng. Principal is payable at Toronto, Ont., and New York, N.Y.

Bear in mind that the total outstanding liability amounts to $19,000,000, payable in instalments extending over periods of eight, nine and ten years. It is idle to say that the whole surplus of $6,000,000 has been exhausted in buying the securities since June, 1913.

I want this House and the country to know the story about the rolling stock of this railway and to thoroughly understand its history. To-day we are confronted by a lobby of creditors who are interested. The Canada Car Company is a creditor for one and a half million dollars for equipment; the National Steel Car Company, two or three hundred thousand dollars. Whose needs have they supplied? Mackenzie, Mann and Company Limited, gave their notes for that equipment. What did they buy the equipment for? Did they sell it to the railway? Not they, they sold it to the Imperial Rolling Stock Company Limited. Let us just understand who they are. I hold a prospectus in my hand describing an issue of first mortgage five per cent gold bonds, class 'B.' They started class 'A' in August, 1903, and have proceeded with the series ever since. The paid-up capital is $300,000. Directors, Sir William Mackenzie, president, Sir Donald Mann, vice-president, Z. A. Lash, K.C., Frederic Nicholls, J. M. Smith. Let us analyse that. Mackenzie, Mann and Company Limited buy the rolling stock and give their notes to the Canada Car Company. The Imperial Rolling Stock Company takes the equipment and sells it to the Canadian Northern. Do they make a profit? We are told they do not. Do they do it just for the love of the thing? Then why do they want $300,000 of paid-up capital?

Mr. MEIGHEN: If my hon. friend really wants to know, I will tell him, although I thought he would understand it himself. The Imperial Rolling Stock Company is formed for the purpose of buying the rolling stock. Were it not purchased through the agency of such a company, the rolling stock so purchased would immediately become subject to all the prior encumbrances of the Canadian Northern railway. The same thing applies to other railways as well as to the Canadian Northern. In order to avoid subjecting the rolling stock to all the prior encumbrances of the road by the mere act of purchase, a rolling stock company is formed through which the rolling stock is bought. The rolling stock is then sold to the Canadian Northern or whatever the railway may be. This practice is not confined simply to the Canadian Northern; it is common to all companies.

Mr. BENNETT: On this prospectus the following statement appears:

The Imperial Rolling Stock Company has been incorporated with the object of purchasing rolling stock from manufacturers and leasing it to railway companies in good standing. The railway companies agree to pay for the rolling stock in instalments, which instalments are more than sufficient to pay the interest on and retire the bonds as they mature. This plan has been used extensively in Great Britain and the United States and has proved advantageous to the railway companies and profitable to the rolling stock companies, and has recently proved most successful in Canada.

Do I understand that a company created for the purpose of buying rolling stock from manufacturers and selling it to railways, is a philanthropist when it sells to the Canadian Northern? 5 p.m.

Mr. MEIGHEN: The rolling stock company is merely an agency.

Mr. BENNETT: It says it is profitable.

Mr. MEIGHEN: No, it does not. It does not refer to the Imperial Rolling Stock Company at all.

Mr. BENNETT: Then, I-m-p-e-r-i-al does not spell Imperial.

Mr. MEIGHEN: The Imperial Rolling Stock Company does not exist for profit. It

exists as an agency between the makers of the equipment and the railway company.

Mr. BENNETT: Will my hon. friend say that Mackenzie and Mann make no profit out of it?

Mr. MEIGHEN: Our auditors have investigated the mattter, and have so reported.

Mr. BENNETT: Show me the report.

Mr. MEIGHEN: I think it is in the report that has been filed.

Mr. BENNETT: No, it is not. I had that report here purposely to look up that point. I cannot help the way they keep their books, but two and two make four, and I say that Messrs. Mackenzie and Mann positively cannot be trusted after the statement they have given to this House and to the people. The prospectus says:

The Imperial Rolling Stock Company has been incorporated with the object of purchasing rolling stock from manufacturers and leasing it to railway companies in good standing. The railway companies agree to pay for the rolling stock in instalments, which instalments are more than sufficient to pay the interest on and retire the bonds as they mature. This plan has been used extensively in Great Britain and the United States and has proved advantageous to the railway companies and profitable to the rolling stock companies.

Mr. MEIGHEN: In the United States.

Mr. BENNETT: It does not say so.

Mr. MEIGHEN: It does.

Mr. BENNETT: I will read it again:

And has proved advantageous to the railway companies, and profitable to the rolling stock companies, and has recently proved most successful in Canada.

Mr. MEIGHEN: Read the whole sentence.

Mr. BENNETT: I have.

Mr. MEIGHEN: You did not; you started with the word 'and '.

Mr. BENNETT: I will read it again.

This plan has been used extensively in Great Britain and the United States and has proved advantageous to the railway companies and profitable to the rolling stock companies, and has recently proved most successful in Canada.

Mr. BOYCE: Successful, but not profitable.

Mr. BENNETT: The hon. member for Algoma (Mr. Boyce) says that what is meant is that it has been successful but not profitable.

[Mr. Meighen.]

Mr. MEIGHEN: It does not say the Imperial Rolling Stock Company has been successful. There are other rolling stock companies.

Mr. BENNETT: There are; I know many of them. But does my hon. friend think the people are so gullible as to believe that men are going to issue securities for $300,000 of paid-up capital for nothing? Why did Messrs. Mackenzie and Mann sell to the Imperial Rolling Stock if it was not created for that purpose? Why is it their notes, and not the notes of the Imperial Rolling Stock Company, that the Canada Car Company holds? Why do the Canada Car Company hold the notes of Mackenzie and Mann and not of the Imperial Rolling Stock Company? Whom do they buy the rolling stock from? From Mackenzie and Mann Coy., Ltd., the go-between the manufacturers and the railway company, who sell it to the Imperial Rolling Stock Company themselves by another name, and who, in turn, sell it to the various railway companies, being Mackenzie, Mann & Coy., Ltd., still another name. These companies could pay for this rolling stock and the people who made these cars and engines are whistling for their money while Mackenzie and Mann will not pay. My hon. friend the Solicitor General says that this is done in order that the stock may not be charged with the payment of the securities under the trust deed. I will read the trust deed and show him that it is charged with it. Let us see what the charges are.

Mr. LEMIEUX: Read it all.

Mr. BENNETT: I am not going to read all of the trust deed. Section 10 says:

The company for further securing payment of the principal moneys and interest and other moneys aforesaid hereby grants and conveys to the trustee a specific charge upon and over the whole of the undertakings and railways of the company present and future including rights of way, station grounds and all real estate and interests therein, buildings and other structures and improvements, rolling stock and equipment, plant, machinery, supplies, material and other personal property present and future acquired for the purposes of the said railways and in connection with operating, repairs and maintaining the same and the tolls, incomes and revenues of the company arising and to arise from the said railway and the rights, privileges, franchises and powers of the company now or hereafter held in respect to and in connection with the said railways and the operation, maintenance thereof (except as hereinafter expressly declared) such charge to rank next after the existing charges thereon as hereinbefore recited but to be subject and without prejudice to the powers hereinafter reserved to the company of creating further charges

thereon ranking in priority to the charge hereby created.

Mr. MEIGHEN: Now, then, the hon. gentleman can understand why the rolling stock company intervened and the means that were found necessary in the purchasing of the rolling stock. The Canadian Northern Railway Company pay for it by instalments, it becomes their property and then it becomes subject to the trust deed.

Mr. BENNETT: Absolutely.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Hon. gentlemen pound their desks, but they do not understand what they are doing. Why, then, if that be so, are Mackenzie and Mann's notes outstanding for these unpaid cars and engines?

Mr. MEIGHEN: I presume because the makers of the cars and engines like their notes better than those of the others.

Mr. BENNETT: Then that is the story. Let us have it in all its miserable character. Here are cars and engines bought from manufacturers in Canada, Canadian workmen made them and Canadian materials were used for their construction, Mackenzie and Mann think they are the right people to intervene and as they buy this equipment they must expect to make a profit out of it. Why should they have done so if that were not the reason?

Mr. MEIGHEN: They have bought a lot of other things for the Canadian Northern Railway Company besides that and given their notes.

Mr. BENNETT: Are they the contractors of the Canadian Northern Railway Company?

Mr. MEIGHEN: They are carrying on the construction department of the Canadian Northern railway.

Mr. BENNETT: But, this being new equipment for the Canadian Northern Railway Company, why should they give their notes?

Mr. MEIGHEN: I presume that the makers of the cars asked for further security and got it.

Mr. BENNETT: This is not further security. The company only have their notes; there is no lien.

Mr. MEIGHEN: Is the hon. gentleman sure they have not a lien on the cars.

Mr. BENNETT: I regret to say that they have no lien. The Imperial Rolling Stock Company has the lien upon the cars.

Mr. MEIGHEN: I presumed that they had a lien.

Mr. BENNETT: My hon. friend's presumption and his thoughts had better be revised. These are the cold facts of the case, and if the hon. gentleman had fortified himself with facts rather than presumptions he would have made out a better case.

Mr. MEIGHEN: Did not the hon. gentleman say they had $50,000,000 of assets?

Mr. BENNETT: Yes, and they will not pay their debts and want the Dominion of Canada to pay for them. My whole argument is that these men have assets, that they will not use their assets and that they want us to pay their debts for them. I protest in the name of the people of Canada against paying their debts.

Mr. MEIGHEN: Why do you say that their notes are no good?

Mr. BENNETT: Because they have refused to pay them until this legislation is put through, which will compel the people of Canada to pay them. Look at the contractors who have been swarming around the hotel corridors in Ottawa. Why have these contractors come here? Because these men would not pay them. They said: Sue us, and they were sued the other day in connection with a piece of property near Toronto. My hon. friend (Mr. Meighen) touches the point exactly; these men will not pay if they can avoid it. They want the people of Canada to pay their debts, and I protest against the people of Canada paying their debts. If these men are contractors, then let us exhaust our remedies against them before this country pays their debts. Every citizen in my part of the country, I know, will say: If these two men have contracted for the building of this road, and if they have got the money, let them pay their debts. I hold in my hand a copy of a letter which is to be found in the Library from Mr. George Stephen—

Mr. MEIGHEN: As far as I know there is no contract by which they are bound to build the road between them and the Canadian Northern Railway Company at all, but if there was, under what rule of law would anybody say that they were bound to do it if the Canadian Northern cannot pay them for doing it?

Mr. BENNETT: My hon. friend has no evidence that the Canadian Northern cannot pay them for doing it, but if they have entered into a sub-contract they are bound to pay for the work.

Mr. MEIGHEN: If they have the money.

Mr. BENNETT: Now, I have my hon. friend exactly where I want him. He says: As far as I know there is no contract with Mackenzie and Mann to build this road. This release of the contractors' claims is lovely.

Mr. MEIGHEN: These men have acted as financial agents, and have financed the construction of the road on their own credit and on their own responsibility. It is for services in that connection that they have a claim. There is no outstanding, binding contract, as far as I know, but, inasmuch as they have performed such services, as a court in this country, not many years ago, adjudged, they have a claim.

Mr. BENNETT: Of course, there is a rule in our Railway Act which says that men shall not contract themselves with companies of which they are directors. That is a statutory provision in the Railway Act. Doubtless my hon. friend is aware of it, and in order to get around and about it they have made it Mackenzie and Mann, Limited, when it used to be Mackenzie and Mann. Now, if it is true, as my hon. friend said, that there was no contract with these men to build this road, what right have we to pay this money?

Mr. MEIGHEN: I have just told my hon. friend.

Mr. BENNETT: Because they were the fiscal agents?

Mr. MEIGHEN: This is the money of the men who actually dug the dirt and built the road, and of the banks who supplied money.

Mr. BENNETT: Who got the money? My hon. friend knows that it is not a fact that the men who did the work got the money, but Mackenzie and Mann, whom they directly contracted with. I asked three contractors who was the contractor on the Canadian Northern Ontario, and they said Mackenzie, Mann and Company were the only people they knew.

Mr. MEIGHEN: I think that is correct; they simply acted as intermediaries in the construction of the Canadian Northern.

[Mr. Meighen.]

Mr. BENNETT: Why were they not the contractors?

Mr. MEIGHEN: As on every other railway there is a construction company, and Mackenzie and Mann, Limited, act as the contracting company in connection with the Canadian Northern railway, just as another company act in connection with the Canadian Pacific railway.

Mr. BENNETT: In the case of the Canadian Pacific railway, construction is not under another company.

Mr. MEIGHEN: What is the harm in a separate entity?

Mr. BENNETT: The harm of the separate entity is that the claim that these men have is against Mackenzie, Mann and Company, and not against the railway company.

Mr. MEIGHEN: This is a liability which they have incurred, for which they get no compensation, and out of which they get no profit.

Mr. BENNETT: I took the trouble to look up the contracts for the Canadian Northern Ontario, and I learned that the contracts call for the construction of the telegraph lines. Then, who got the telegraph lines?

Mr. MEIGHEN: The Canadian Northern own them.

Mr. BENNETT: What did they pay for them?

Mr. MEIGHEN: The Canadian Northern paid nothing for them. They were turned in.

Mr. BENNETT: My hon. friend has been misinformed and misinstructed.

Some hon. MEMBERS: Hear, hear.

Mr. MEIGHEN: I accept all challenges; I have accepted them all so far, and I will accept this one. My hon. friend will remember that just yesterday he made a similar statement during the speech of the hon. member for Kingston (Mr. Nickle).

Mr. BENNETT: I did.

Mr. MEIGHEN: He said that the Canadian Northern railway had paid Mackenzie and Mann $3,000,000, the value of the $3,000,000 bonds which they took from the Canadian Northern Express Company. I challenged the statement at the time. I repeat that now, in this connection, that

the Canadian Northern railway never paid them one dollar, and that those bonds were turned in absolutely free of charge and as compensation to the Canadian Northern. The Canadian Northern raised money on them and used every dollar of it in their undertaking. I would like you to prove that what you said yesterday is correct.

Mr. BENNETT: I am going to do it.

Mr. MEIGHEN: Very good.

Mr. BENNETT: Nothing would please me better, because it makes me come to the point at once. My hon. friend the Solicitor General has at once raised the issue as to whether or not Mackenzie and Mann, Limited, have made any profit with respect to any of the allied enterprises of the railway company.

I turn to page 16 of the eleventh annual report, October, 1913, and I find the statement of acquired securities as follows:

The Minnesota and Ontario Bridge Company, 4½ per cent first mortgage debenture bonds	$ 180,000 00
Capital stock	100,000 00
The Minnesota and Manitoba railroad 5 per cent general mortgage bonds	250,000 00
Capital stock	400,000 00
The Lake Superior Terminals Company, Limited, 5 per cent mortgage gold bonds	2,000,000 00
Capital stock	500,000 00
The Canadian Northern Telegraph Company, 5 per cent general mortgage bonds	800,000 00
Capital stock	500,000 00
The Winnipeg Land Company, Limited, 5 per cent first mortgage gold bonds	300,000 00
Capital stock	100,000 00
The Canadian Northern Coal and Ore Dock Company, 5 per cent first mortgage bonds	437,000 00
The St. Boniface and Western Land Company, 5 per cent first mortgage bonds	750,000 00
Capital stock	250,000 00
The Edmonton and Slave Lake Railway Company, 5 per cent first mortgage bonds	420,000 00
The Canadian Northern Prairie Lands Company, capital stock	483,393 55
The Canadian Northern Railway Express Company, Limited, 4 per cent first mortgage bonds, £616,438	3,000,000 00
Capital stock	1,000,000 00
The Canadian Northern Steamships, Limited, 5 per cent first mortgage debenture stock, £600,000	2,920,000 00
Capital stock	2,000,000 00
	$16,390,393 55

Turning to page 12, I find this statement:

Acquired securities cost $8,294,006.87.

Then I turn back to the report for 1905 (the first report in which the Canadian Northern Railway Company make any reference to acquired securities), for the purpose of ascertaining upon what basis these securities were actually acquired. On page 8 of the report for that year I find that the company owned the securities of the bridge company, the railway company, the terminal company, the telegraph company, the land company, aggregating $3,630,000 par value, for which they paid $1,946,666.66. I find further, by turning to the trust deed issued by the company in connection with its four per cent consolidated debenture stock in 1903, that this issue of consolidated stock was made with the one simple purpose namely, to raise £400,000 with which to buy these securities. Let us read it in order that there may be no misapprehension on that point. You will observe that the very first line of that agreement provides that this money is being raised for the sole purpose of buying that stock. Section 4 of the trust deed is as follows:

The total amount of stock and bonds is limited in the first instance to £400,000 and the company is to be at liberty from time to time and at any time to issue further stock or bonds ranking pari passu with the said £400,000 of stock and bonds.

And section 9 says:

It hereby grants and conveys unto the trustees a first and fixed and specific charge over the whole of the said bonds and stocks mentioned in the fifth schedule hereto.

The fifth schedule, page 51 says:

Lake Superior Terminals Company, Limited, The Winnipeg Land Company, Limited, The Minnesota and Manitoba Railroad Company, The Minnesota and Ontario Bridge Company, The Canadian Northern Telegraph Company.

This $2,000,000 was raised on the consolidated debentures of this company in order to buy the securities. That is what it says.

Mr. MEIGHEN: Have you read it all?

Mr. BENNETT: Wait a moment. I have here the prospectus on which the first money was raised and I want to read it in order that there may be no misapprehension about the matter. The fact of the matter is that there is so much in connection with this enterprise that one gets rather confused in one's endeavour to state exactly what the facts really are. I have now in my hands the prospectus upon which the first money was raised to buy these securities. This is what it says:

The money provided by the present issue—

That is the issue made by Sperling & Co., and it is the first issue of consolidated debenture stock made by this company.

£400,000 four per cent consolidated debenture stock. This stock will bear interest at the rate of four per cent per annum.

Now comes the statement:

The debenture stock will be secured by a specific first mortgage upon the undermentioned securities and other securities from time to time deposited with the trustees for further issues. The money provided by the present issue will be applied in the first place in acquiring the bonds and stocks set out below, arrangements for the acquisition of which have already been made. The stock will be registered on a register kept in England.

Then there is set out how the instalments are to be paid, and so on.

The first question is: Did they receive that money? They did. The second question is: To whom did they pay it? Will my hon. friend answer that question?

Mr. MEIGHEN: The hon. gentleman will have noticed, as he read his figures, the very wide divergence between the amounts paid and the value of the bonds. The fact is that these bonds were turned into the Canadian Northern Railway Company. I can illustrate the process by these two examples. The Winnipeg Land Company owning property in Winnipeg had certain indebtedness on it for purchase price on property bought in the early days. That land is worth some millions more than the land company is bonded for. Those bonds were turned into the Canadian Northern. The Canadian Northern on the strength of those bonds and its other assets issued its four per cent perpetual debenture stock, out of which it paid first that indebtedness against the Winnipeg Land Company and nothing more, not one dollar going to Mackenzie and Mann. The same is true of the Express Company, in which some few thousand dollars only was invested.

It was bonded for some $3,000,000. These bonds were turned in, and out of the perpetual stock raised thereon, enough was paid back to pay the $5,000. Or rather, I am not sure that that $5,000 was paid, but I do know that not a dollar more was paid. The only moneys out of that 4 per cent perpetual debenture stock given to these companies was paid in discharge of the liabilities against them to get a title, but not any of it came to Mackenzie and Mann.

Mr. BENNETT: My hon. friend says that Mackenzie and Mann did not get any money out of these enterprises. All I can say is that I take this prospectus for what it says, and it says that this money was raised in London to purchase these securities. If they paid, they paid it to the people who owned these securities, and if the hon. gentleman will say who owned, I know who got the money. All I can say is that the record in the investigation of the express matter shows that in this case these men owned that stock—Mackenzie, Mann, Lash, R. J. Mackenzie and Mackenzie and Mann Company, Limited. It follows that the people who sold the property got the purchase price. And if the people who sold it were Mackenzie and Mann and their associates, then they received the purchase price.

Mr. MEIGHEN: It was enough to pay the indebtedness and nothing more.

Mr. BENNETT: All I say is that that is the statement that these men have made from one end of Canada to the other. The hon. gentleman may know more about their affairs than I do—I think he does. All I have is the records. And the records show that the Canadian Northern Railway Company has paid $5,000,000 cash to acquire securities upon which the people of this country are paying 4 per cent interest. They must have bought them from the people who owned them, and the records show that the owners were Messrs. Mackenzie and Mann and others connected with them.

Mr. MEIGHEN: They were of far more value than $5,000,000, but all that was paid was the indebtedness against them, none of which came to Mackenzie and Mann. The record shows that.

Mr. BENNETT: When they got these companies together to incorporate them, why did they create a lot of watered stock and bonds, if the Canadian Northern railway was to get all?

Mr. MEIGHEN: Does the hon. gentleman wish an explanation?

Mr. BENNETT: I know in advance what the explanation will be; but the hon. gentleman might as well state it.

Mr. MEIGHEN: The Canadian Northern Express Company had a large revenue. As a means of raising more money they bonded the Canadian Northern Express Company at $3,000,000—the revenue justifying a large issue. They turned that bond issue into the Canadian Northern railway,

and by reason of that being there they were able to raise more money.

Mr. BENNETT: But why create bonds and stock if the Canadian Northern railway only was to get the return?

Mr. MEIGHEN: Because they found it more convenient to raise the money on them.

Mr. BENNETT: And the money passed through the conduit pipe—

Mr. MEIGHEN: That is the point—it did pass through.

Mr. BENNETT: It does not get through—that is the point exactly; and the records show it.

Mr. MEIGHEN: The hon. gentleman cannot establish that.

Mr. BENNETT: Show me the case of any system, except the Frisco, where such a situation occurred without a public investigation. And that leads me to my second objection to this measure, the one I have raised from the start: I demand that there should be a public inquiry under oath in order that I may know whether the facts alleged are facts or not. I demand to know on behalf of the people of Canada whether these statements are true or false. The Solicitor General knows no more about this matter than anybody else. He has been instructed and he believes the instructions he has received—though a lawyer is not bound to believe the instructions contained in his brief. I do not say that offensively, for the Solicitor General has been making the best case he could, as he is bound to do, on behalf of the Government, and the Government probably believe it to be true. But I do not know whether the story is true or not. I know that in the townsites matter which was referred to this morning, you have $20,000,000 of stocks and debentures as the value of these townsites, and that was in the end of 1913. Where did the money go during the preceding years, during the fat years, when they were dealing in townsites right and left? Mackenzie and Mann owned the townsites which must have netted them millions, for the country only got $3 an acre for the land. And municipalities have been oppressed through lands having been exempt from taxation in some of the provinces. I defy any member of this Government or of the House to state accurately the facts with relation to this enterprise; and I demand that there should be a full and complete investigation that the facts may be made known. I have here a book upon the subject of great railway enterprises in which the story is told of the Huntington-Hopkins contract. If you were to ask me upon what Mr. Lash patterned his whole enterprise I would tell you it was upon the Southern and Central Pacific with Huntington and Hopkins as contractors. They were subsequently incorporated. Their dealings with the company seemed perfectly fair. The auditors went over the figures year by year, and adding two and two together, always made four—they showed that the company was getting the benefit of everything. But, seventeen years after, an investigation was held. The President of the United States appointed a commission to investigate the affairs of the Southern and Central Pacific and such scandal was stirred up as caused the ruin of the reputations of the men engaged in it and made it impossible that any such exploitation of the country should again be carried on. I say that we have in this enterprise at this time a duplication of that very story. What happened last year? We passed a statute by which we were to get $7,000,000 of stock? And what did we get? Why they set the printing presses to work and ground out $7,000,000 paper. The Minister of Finance referred to 'the one tenth of the capital' which we owned; the ex-Minister of Railways spoke of the same. What did we get? We got $7,000,000 of added water. Here is the language of the book to which I have referred:

> To own a construction company, a railroad company, and a good reliable printing press is better than to own a mint. Nothing can limit your fortune but the extent of your greed.

There is the story of the Southern Central Pacific, and the same thing took place with relation to this. Here is what is said with relation to the way the Central Southern Pacific dealt with politics and parties:

> This great political machine was much more efficient than Tammany's or any other machine that ever existed, because it was non-partisan; it dominated the Democratic organization as easily as the Republican. Political manipulation is reduced coldly to the exact principles of science and business. It made politics a matter of scientific corruption and perfect organization, and by this means it secured astonishing results.

Here is a duplication of it. And it is because I say the people ought to know the facts that I have led my hon. friend the Solicitor General into the discussion that is now taking place. I am delighted to

have had that discussion because it accentuates the argument I desire to make. The hon. gentleman says such and so is the fact; I say the record says that the facts are such and so. He says the records should be read in the light of knowledge which he possesses; I say they should be read as they are. He has information that I have not; he knows what is in the minds of these men and what took place; I do not. I read the records in the cases referred to to show that not one dollar ever went back to the company. On the contrary the records show that every dollar received from the sale of terminals, telegraphs and express companies went to the people who owned them, and so far as the records before this Parliament are concerned the owners were Messrs. Mackenzie and Mann. Therefore, I ask before we enter upon so hazardous a policy, before we undertake so vast an enterprise, before we stand responsible for such enormous liabilities, this country should have a Parliamentary Committee or a Royal Commission to investigate this enterprise from its inception, in order that the Solicitor General may know, in order that I may know, in order that every man and woman in Canada, the taxpayers who will bear the burden of these rates, may know, exactly what the facts are in connection with this nefarious undertaking. That is what I ask, and that is what I demand. Would anybody ask more; should anybody ask less? A man would be unfaithful to his trust as a member of this Parliament to ask less, and I ask no less than that. What about all these figures that run up into the hundreds of millions, which are now made the subject of cavil and thrown aside as though they were baubles, but which represent real money that must some day be paid by the people of this country? I ask that you and I; that the man in the street, the business man and every man in Canada shall know the facts about this enterprise. If gentlemen can stand out in the broad light of day and show these men to be the paragons of virtue and angelic perfection that they say they are, I shall be pleased and the people of the country will be pleased, but all I can say is that you will find it hard to make the public believe it. I am delighted that the discussion of this matter has made it possible, as it went on from time to time, to develop the point I wanted to make as strongly as I could: that precedent to any action on the part of this Parliament the House should know just how the mattter stands. That is all I ask. The fact that the Solicitor General, who has forgotten that independence that characterized him in days gone by and who should be the first man to say that we should have this knowledge; the fact that he possesses information obtained not under oath, compiled by men who are not merely interested and prejudiced but who are interested as no men are interested; the fact that he believes this information to be the truth does not do violence to his reason nor yet to his understanding—it may do violence to his imagination, but not otherwise—the fact that he does believe these things does not detract from his position or from the position of the Government. My hon. friend has asked for suggestions. May I make the suggestion that first of all, before we move a hand permanently to commit ourselves, have an investigation of everything connected with this project, lock, stock and barrel, from the time to two contractors stood upon the banks of the Red river up to the day when they stood upon their terminals in Vancouver and looked upon the blue waters of the Pacific. Seventeen years went by in the United States after the completion of the Southern and Central Pacific lines during which just such discussions took place in legislatures and in parliaments as are now taking place here. During those seventeen years the people were thwarted in their efforts to obtain information and no investigations were held. At last, yielding to the clamour of public opinion, a president issued a commission and that commission of 1887, sitting practically until Huntington died, laid before the people a great mass of evidence, volume after volume—you will find it in the Congressional library—exposing corruption and degradation of public life and the destruction of the morals of Congress and legislators; disclosing a trail of corruption commencing at the gulf of Mexico, wandering to San Francisco and Sacramento and finding its way to Congress at Washington. Here we have the same state of facts. I am no prophet, but there will arise a race of men in this country who will demand that this Parliament investigate under oath everything connected with this enterprise. Why were these facts not given to us last year? Why were they kept back, if they were true? Why were they not given to us the year before, if they were true? Why were they not given in years gone by, if they were true? Why? Because the alleged facts would not stand the criticism of public opinion. In these days

of hard times, when money is tight, when the public credit is strained; when it is convenient to say that we are up against our last resources; when town lots are not selling; when you cannot exploit the whales of the Pacific or the fisheries of the Atlantic; when the natural gas of the prairies can no longer be watered, these two men who have promoted and exploited the natural resources of Canada from the whales of the Pacific to the last thing they could get in the province of Nova Scotia, come here with statements which I challenge; with statements which are not borne out by the records, if the records be true, and which are not shown by their annual reports, if their annual reports be true.

What is the history of the Frisco system? Year after year their books were audited; year after year they showed that two and two made four and that three and two made five, but when the receivers tore it to pieces, when the great audit firm of Price, Waterhouse & Company, trained and skilled men, who knew their business, went down to the bottom of the iniquitous enterprise, they were able to expose to the shareholders of the Frisco system conditions that astounded the public. Men who were thought to be highly respected had degraded their high offices for their own enrichment and aggrandizement, and the people had to suffer. It may not be so here; I do not know, but I challenge any man in this House to give a straight and complete statement of the condition of the affairs of this company. It cannot be done. You may tell me what Sir William Mackenzie tells you or what Sir Donald Mann tells you; I want none of that. I want the truth, under oath, given by men who are trained to ascertain the facts; by men who will lift the lid and get under it. I want the facts shown to the people of Canada before I put the collective credit of our people behind this enterprise.

Am I interested? Do you know, Sir, that over $500,000,000 of the collected credit of the people has been put behind transportation enterprises in this country during the last few years? I disagree with some of my friends that it has been done largely because of the growth and development of eastern Canada. We must have an outlet for our grain and other products. The great seaports of Halifax, St. John and Vancouver and the great ports of Montreal and Toronto must be developed, but must they be developed by the collective credit of the people of this country, for the purpose of gratifying the boundless ambition of two railroad promoters and gratifying their greed for wealth? It is not yet too late. I would be content with any investigation the Solicitor General would conduct on behalf of the people of this country, through a Royal Commission, whose duty it would be to get the facts; to cross-examine, to riddle out all falsifications and subterfuge. The British Empire Trust Company, which is trustee for nearly all these securities, has Sir William Mackenzie as director. Who gets the underwriting profits? Are all these things to be known, or are they not? Are we to get to the bottom of them, or not? It is not yet too late. Hon. gentlemen on this side, when in opposition, criticised the Government of my right hon. friend the leader of the Opposition because he was in too great a hurry about the Grand Trunk Pacific. His Minister of Railways raised his voice against the project, saying that the Government was too precipitant. Time has vindicated the prophesy of Andrew George Blair. Sir, I am not worthy to loose the shoestrings of a man like Blair, but I do say, in all seriousness and solemnity, that it is not yet too late.

I urge upon this House that this Government should pause before we are committed to a proposition involving $300,000,000; before we are made fourth mortgagees in this enterprise; before we are made partners with men whose misrepresentations have brought upon us this iniquity. Sir, we can investigate; we can still save the credit of Canada. All we have to do is to pass a short statute authorizing the Governor in Council to appropriate such a sum of money, not exceeding a sum mentioned, for the purpose of carrying forward the construction work on the lines in which we are interested, the Canadian Northern Atlantic and the Canadian Northern Ontario, for the purpose of paying the contractors; for the purpose of paying the equipment people and of subrogating this country, in right of the Crown, to the position which they as contractors or otherwise, would occupy in respect of this enterprise. If the road went into a receiver's hands, the first question would be: show me the report of the physical condition of the property. What is the physical condition of this property?

What is the physical condition of this property? I suppose the Solicitor General

has been told that the physical condition of this property is so splendid that it challenges the admiration of every traveller. All I know is that last spring in Winnipeg there sat a board to determine what price should be paid to the men who worked on the road, and they had to get more pay because the road was so bad that it took longer to get between points than on other roads. I have perused a tail-end report of every mile of that system, not made by a Canadian Pacific Railway man nor by any man connected with that company and that tail-end report shows that the road from Port Arthur to Yellowhead Pass is a system unworthy in some respects of being called a railway—dirt ballast, dirt track, poor ties, mostly fifty-six and sixty-pound steel, sharp curves, heavy grades, everything that goes to constitute what is called a minimum cost road. What would happen if you went to a receiver and asked for a receiver's certificate for $45,000,000? He would say: Show me your physical reports and show me your financial position, and I shall give the certificate. But no such thing is done here; it is go in blindly—

Mr. MEIGHEN: If the hon. member will look on the files of the Railway Department at Ottawa he will see official reports there to the effect that his report is absolutely false.

Mr. BENNETT: In answer to that I would ask my hon. friend if the train known as the Saskatoon express has not been described by an eminent engineer as one which is unsafe to carry human traffic.

Mr. MEIGHEN: I cannot tell you what engineers say.

Mr. BENNETT: My hon. friend does not know what engineers say, and I do. I am not an engineer myself but I do say that the track of the Canadian Northern railway—and I have travelled over miles of it for the purpose of seeing myself, and I speak whereof I know—may be described as unfit to carry human traffic. It will carry freight traffic. It is a matter of record that the road was so bad that it had to pay larger wages to its employees.

Mr. MEIGHEN: The road carried three million people last year without one being hurt.

Mr. BENNETT: Quite so, I quite agree that it carried three million people, because they had no other means by which they could get transported. My learned friend says that none of them were hurt; but I know that at least one man consulted me who had been hurt during the last year. Perhaps that was overlooked in preparing the report, as many other things were. The road carries a large amount of freight traffic, because it is the only avenue by which this freight could be carried. I may be wrong as to that; I do not know, but I do say that this country has the right to know. That is all I ask, and I plead with the Government to appoint a commission or a committee that will enable this House to know, first, the physical condition of this property, and, second, the financial position of the company, in order that we may thoroughly understand the enterprise we are getting behind and what we are putting money into. I make a further suggestion before I deal shortly with the agreement. If we cannot appoint a commission, do not let us permit this money in any way to be controlled or spent by the men responsible for the chaos, the men who have brought about this condition. Mackenzie, Mann and Company, either as contractors or railroad builders, were the men who have made this condition possible. Now, if we are going to lend these men money, let us be receivers in every sense of the term. My friend says we are going to put this money in the bank and keep it to the credit of the Receiver General, and will have progress certificates. He explained how it was to be dealt with. I come from the province of Alberta. That province guaranteed bonds on one of the lines of this company from Edmonton to Calgary. The money was placed to the credit of the provincial treasurer? It was to be paid out on progress certificates. But this I know, the records shows that in July, 1912, every dollar but one had been paid out—and the first train came into Calgary in February, 1914. That is your safeguard. What are you going to do here, if these men receive more money than they are entitled to? If the road was to be completed before the last dollar of the proceeds of guaranteed securities was paid out, how is it that there still remains so much uncompleted line and the money is all gone, for practically that is what it amounted to in the provinces? As far as the Dominion is concerned, these progress estimates indicate that the line is three-quarters completed, some have said two-thirds completed. I do lay down this principle of law, that no receiver or court

would ever permit the organization which had brought about the chaos to have the money and to get a receiver's certificate. What are you going to do with this money? Are you going to pay the contractors? Are you going to pay the notes that are out? The notes of Mackenzie and Mann are out for equipment and cars. Are they going to be paid? I would like to know, and there are a lot of people in Canada who would like to know this. Some people say that this agreement means that that is a floating debt and will not be paid. Is that true? The Imperial Rolling Stock Company has the rolling stock, it has its brass tag on it. The bonds have been sold, the money has gone to the Canadian Northern railway and the people who built the equipment are looking to Bill and Dan for the money. That is putting it roughly, but that is the fact. Is this money to go for that purpose? Is it to go to pay the contractors or the sub-contractors? I understood my hon. friend to say that the sub-contractors would be paid, that the men who built the Canadian Northern Railway Ontario and the Canadian Northern Railway Quebec were to be paid for that work. Is this to be paid out of the $45,000,000? Then I find there are large sums for equipment. Is this equipment to be purchased by these men in any way they like and are they to be allowed to pay for the equipment on long term bonds or not Are they to be permitted to buy from the Imperial Rolling Stock Company in the same way? Are they to roll up obligations that some day will have to be met? I would like to know, you would like to know, Mr. Speaker, this House would like to know what are the safeguards as to what these men are to do and what we are to do. It is all right to say that you will put the money to the credit of the Receiver General. We all know that once you get that money in there the men running the road are the men who will create the obligations and, they creating the obligations, your business will be to pay. We know what history is on that point.

My third suggestion is: Eliminate Mackenzie and Mann from this road. That is very drastic you say. I say that if a contractor had charge of an enterprise and he ran it into difficulties and into an insolvent condition, you would not keep him on the job and pay him the money. I ask that these men be eliminated. I ask that this item, the whole $100,000,000, if you have arrived at that, be pooled in the hands of a trust company, that a man who has had experience in operating Government railroads in Australia or some other place, a man like Sir Thomas Tait be put in charge of that enterprise to operate it, because Mackenzie and Mann are no more operating officials than children on the street. They are contractors pure and simple. They have not the ability, the capacity, or the men about them to operate a railway. With two or three exceptions, they have no operating officials. I ask that these men be eliminated from the enterprise and that it be put in the hands of men who operate railroads and understand their operation, that the stock be put in the hands of a trust company and that we operate the road as a receiver until we ascertain where we are at and until the Government can determine whether or not it is wise, on behalf of the pople of Canada, to take this road over. I do not think that is an unreasonable thing to ask.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. R. B. BENNETT (resuming): When the House rose at six o'clock I was drawing attention to the fact that I had been diverted from the main portion of my argument by a discussion as to whether or not Mackenzie, Mann & Company, Limited, or the individual parties constituting that firm had been beneficiaries from this railway company. I had also asked what had become of the surplus earnings of this company as shown by their last annual report. The Solicitor General had directed attention tc the fact that he was privately advised that the report issued by this company was false. I am quite content to leave it at that, and let it be known to the country, and the shareholders in England who have invested largely in this company, that the reports issued from time to time over the signature of its president and third vice-president were absolutely and incontrovertibly false, and that a surplus which was said to be on hand was not on hand. It had been disbursed and not shown. The statements of that company should show what the disbursements are, and if the money has been disbursed and not shown, obviously those reports are untrue and misleading. I am content it should be said the reports are untrue and misleading, and that private information given to the members of this Government or a law officer of the Crown establishes that fact. I leave my hon.

friend the Solicitor General with that dilemma. There is another point to which I wish to direct attention, and which I think conclusively establishes the observation I have just made. If this House has before it the report of the Canadian Northern Railway Company for the year ending 1910, it will find published there a statement showing that among the securities which the company has acquired is $483,000 worth of Canadian Northern Prairie Lands Company stock. Obviously a company cannot be very hard up that goes out and invests in land company stock, and it is rather interesting to know just how the Canadian Northern Prairie Lands Company came into existence. We heard much last evening of the history of the land grants to the Canadian Northern railway. The hon. member for Kingston (Mr. Nickle) made that quite clear. But if any gentleman here is curious and will go to the department at Toronto he will find that on the 23rd March, 1910, the Canadian Northern Prairie Lands Company, Limited, filed a return showing that it had a capital of $5,000,000 in one million shares of $5 each, 300,000 shares of which had been subscribed for and allotted in payment of 500,000 acres of land, acquired out of the Canadian Northern subsidy lands. This company is referred to in the London Stock Exchange Year Book for 1914 under the proper heading, which indicates that there was one and a half million of capital stock issued to this company and that the 500,000 acres were acquired at $3 an acre. The report filed at Toronto states that the Canadian Northern Prairie Lands Company, Limited, was organized by a number of young men in the office of the general solicitor of the company, including Gowans, Lovell, Mitchell, Annesley and a few other employees.

Mr. MEIGHEN: Would the hon. gentleman oblige me by repeating what he said about me before I came in?

Mr. BENNETT: I would really like to oblige the hon. gentleman, but that is quite impossible.

Mr. MEIGHEN: Is the hon. gentleman afraid to repeat it?

Mr. BENNETT: If the gramaphone of Mackenzie and Mann thinks that I consider that as other than as an insulting remark, he is mistaken. I should like him to understand that I am perfectly prepared that he should hear anything I have said, but obviously I cannot take up the time of the House in repeating something he did not hear. If he was not here it is not my fault, but if he thinks I fear to make any statement before him he misjudges his man. The statement I made was this: that among the assets of the Canadian Northern Railway Company there will be found to be $483,000 worth of Canadian Northern Prairie Lands Company stock.

Mr. MEIGHEN: I was not referring to that. I understand the hon. gentleman stated that I had said some report was false.

Mr. BENNETT: I made no such statement. I do not propose to be diverted from my argument again this evening, as is apparently the desire of the Solicitor General, but I am ready to answer any fair question he may ask. What I said was this: If the Canadian Northern Railway Company as a company over the signature of its president and its third vice-president states that it makes certain disbursements, and certain only, for a year, and that at the end of the year it had a surplus of $6,000,000 and now the Solicitor General comes in and says that he knows from private information furnished from private records—which nobody in this country will believe until they are verified by oath—that that surplus has been disbursed, which is not shown in the record over the signature of the president and third vice-president, I say that I prefer the record to the words whispered in the ear of the Solicitor General. I prefer to take the record sent to the shareholders in England who have invested their money in this company and it ill becomes a law officer of the Crown to throw discredit on that record.

Mr. MEIGHEN: I do not throw discredit on it; I believe it is true.

Mr. BENNETT: A report that does not show a disbursement that the hon. gentleman says was made, is untrue. What would the hon. gentleman think of his book-keeper whose accounts showed that at the end of the year he had a surplus of $1,000 and who said when asked to show that $1,000: I have made a disbursement of that money; and when asked to show the entry for the disbursement, said: I did not put it down in the books. I wonder how long he would keep that book-keeper in his employ.

I was pointing out that the report of the Canadian Northern Railway Company

for 1910-1911 shows that the railway owns $483,393.55 worth of Canadian Northern Prairie Lands stock. The report says that the Canadian Northern Railway Company bought that stock. How much did it cost. I turn to the record on file at Toronto and I find that the par value of a share of that stock is $5. The land company got 500,000 acres of subsidy land in consideration of $1,500,000 fully paid up shares. But the shares did not go to the railway company. Who did get them? The names of at least some of the gentlemen interested in the Prairie Lands Company will remind the Solicitor General of his new-found friends. For instance, Brouse Mitchell, 1,000 shares; D. B. Hanna, 902 shares; A. J. Mitchell, 540 shares; L. W. Mitchell, 660 shares; W. H. Moore, 600 shares; G. G. Ruel, 500 shares; A. D. McRea, Winnipeg, 700 shares; Noel Marshall, 750 shares; A. J. Hills, 752 shares, Angus Sinclair, Parry Sound, 730 shares; Hugh Sutherland, Winnipeg, 902 shares; Mackenzie & Mann, 105,777 shares; Canadian Northern Railway, 38,986 shares. It is apparent from the records that the land company was incorporated on the 30th May, 1905. The report of the Canadian Northern Railway Company for the year ending 30th June, 1905, shows that it owned no stock in this land company. For the year ending 30th June, 1906, the report shows that it owned no stock in the land company. For the year ending 30th June, 1907, the report shows that it owned no stock in the land company. For the year ending 30th June, 1908, the report shows that the company owned stock in the land company of the value of $492,006.61. That report at page 8 shows that perpetual consolidated debenture stock of the par value of $2,000,000 was sold during the year and that the proceeds as far as received were applied to the general purposes of the railway 'and the purchase of securities of companies whose business is incidental to the traffic of the railway.' In the report for the year ending 30th June, 1909, the shares in the land company are shown to be valued at $483,393.55. For the years 1910 and 1911 the same. In the report filed at Toronto it is shown that at this period of time the Canadian Northern Railway Company held 38,986 shares. The par value of the shares is $5, which would show that the shares were worth at par $194,930. From the records it is clear that these shares were acquired at least three years after the incorporation of the land company and their apparent cost to the railway was over $12 per share. The railway company is hard up but it can afford to buy shares in the land company at $12, and from whom? Poor insolvent company, dependent upon the hand-out of the people of Canada! Yet for the purpose of enriching the coffers of Mackenzie, Mann and Company, they can their own shares at $12. I have the report of the Canadian Northern Prairie Lands Company, Limited, underneath my hand which shows that its shares are worth $13.70 apiece. A few years afterwards these shares were worth $13.70, having gone from $5, and the moment these men get hard up they sell to this rich Canadian Northern Railway Company 38,896 shares and get $483,000.

An hon. MEMBER: When was that?

Mr. BENNETT: On March 23, 1910. What did these shares cost Mackenzie and Mann? They were issued to them for what? They manipulated 500,000 acres at $3 an acre. The reports they put in show that the land they bought from themselves cost $3 an acre in addition to the 100,000 acres they took for themselves first for nothing. Then, when they are hard up, when money is a little tight, they say: We will go to the milch cow, the Canadian Northern Railway Company, and sell to them stock for $12.50 a share, and that company paid them, according to this report, $483,000. In the light of that transaction, which is proved to the hilt, will any man for a single moment believe that these wizards of finance handled all this money all these years for nothing, that the Imperial Rolling Stock Company handled $32,000,000 merely for the sake of drawing their cheques? Go to the people of the country and tell them that these noble patriots, these splendid philanthropists, handled $200,000,000 for nothing, just for the satisfaction of the thing, just for the sake of writing their names and signing their cheques, and ask them to believe such a story. We may presume upon the credulity of the people to a certain extent, but if there is any man so credulous as to believe that statement he is unworthy to direct the law operations of the Crown. Now I shall leave that transaction.

I wish to say a word more about the Canadian Northern Express Company. The chief railway commissioner reduced the rates of that company because they showed an operating surplus of $152,000. They had padded the accounts in order to make this showing in anticipation of a bond

issue, and next year, when the surplus had been reduced to $48,000, Mr. Hanna said: That is all right. Certainly, if you pad your earnings up to $152,000 and then consent to a reduction to $48,000, you are easily satisfied. Then they tell us that these people made no money out of their telegraphs and they want the people of the country to believe it. These operations are all in line with the prairie land transaction —something for nothing; that is the motto, and the House and the country are asked to believe that these men handled these enormous sums of money day after day for nothing. It is the height of insanity to presume that the people of the country, with all their credulity, will, for a single moment, believe it. Now I have finished that phase of the matter.

These gentlemen, they say, are illy paid. They say that they have received nothing. They were contractors for the railway and they built it. At what price were they contractors? The Solicitor General says that they were not contractors in the proper sense of the term. Either they were or they were not. To whom were the cheques paid for the services rendered? They drew the subsidies and they received them in the capacity of contractors or they had no right to them at all. It follows that these people fixed the prices which they themselves would get for their work. I do not know as to this, but I will give the Solicitor General and this House the benefit of some information I have and it is that eminent engineers, who worked for them and who are no longer in their employ, tell me that the prices that were given for handling rock and earth on the line between Kamloops and Victoria were forty per cent more than people would have put them at if they had been asked to tender.

Mr. MEIGHEN: Will the hon. gentleman—

Mr. BENNETT: I will not be diverted from my argument by the impertinent interruptions of this young man. I listened to his speech and I listened to it with care.

Mr. SPEAKER: Order.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: The expression 'impertinent interruptions' is scarcely permissible in parliamentary debate.

Mr. BENNETT: If the use of the word 'impertinent' is unjustified I certainly withdraw it. But, having listened to the speech of the Solicitor General with care and having asked no questions, I do not propose that the thread of my argument, as is obviously his intention, shall be broken merely by the hon. gentleman standing in his place and repeating the record that he has received from the gramophone.

Mr. MEIGHEN: It is official from the Department of Railways and Canals.

Mr. BENNETT: I know it is official from the Department of Railways and Canals, but one of the most eminent engineers in charge of this work wrote me and told me personally that the work cost 40 per cent more than it could have been done for by tender and contract. Name a single contractor who was asked to tender for this work. If tenders had been called for, this work would not have been in the position it is.

The same question arises too in connection with the marketing and sale of these securities. I do not care as to what may be the observation of somebody in the Railway Department; the Railway Department work on the theory that the total cost will be so much and that so much has been done. That may be true, but when it comes down to taking section after section I say, lay upon the table of the House the price per yard that was paid for that work, then ask for competitive bids and let the people of Canada say whether the prices were fair or not. It is stated that these two men, in their capacity of contractors, have taken from themselves in their capacity as owners sums of money from 25 to 40 per cent more than the amount for which the work could have been done. We have the right to know whether this is true or not. I demand an inquiry under oath that we may know. You may talk till kingdom come and you may say that somebody whispers this or that somebody tells you that, that the record shows this or the record shows that, but there is one record, the record that the people would like to have, and that is the record resulting from the opportunity of examining these men before a competent Canadian tribunal and finding out from them what the facts are. Since when has it been a crime to seek for information? Since when has it been a crime for people to want to know what the facts are? Since when are the facts to be regarded as statements made by one of the parties to the issue? Has it come to this, in this free country, that the men who are on trial are to be believed though not on oath and that nobody else is to have a chance to say anything? I prefer to take the attitude of a

common layman, a highly cultured gentleman, the hon. member for Montreal, St. Antoine (Mr. Ames) who was much more guarded in his statements this afternoon. He considered the evidence and found the contractors Mackenzie and Mann 'guilty.'

I say to my hon. friend the Solicitor General, do not, in the enthusiasm of your desire to serve the Government, be carried away in the defence of men whose nefarious transactions have made this Dominion a byword and the trail of whose corruptions extends from Victoria to Halifax.

We have been told that the stock of this company had been reduced by $45,000,000, but I shall show this House that such a statement is obviously untrue and absolutely false according to the records which have been brought down. If you will turn to page 34 of the blue book which has been distributed you will find that the sum total of the capitalization of the Canadian Northern Railway Company and of its auxiliaries was $145,000,000 and of that $145,000,000 there is already resting in the treasury of the Canadian Northern Company over $45,000,000 leaving outstanding a sum total of capitalization for the Canadian Northern railway and its subsidiaries and allied companies of $100,000,000. Of that $100,000,000 you will observe that $77,000,000 is now issued stock of the Canadian Northern proper, so that as I have already said, $23,000,000 of new stock is to be issued to enable the parent company to acquire and hold in its treasury $23,000,000 of useless watered stock of subsidiary and allied companies.

Who would not make such a deal? Let us look at the value of the $145,000,000. I started with the Bay of Quinté railway, and I pointed out, according to Poor's Railway Manual—and I gave the page to you this afternoon and I will repeat it—at page 1657, that road has had a deficit and has not paid its fixed charges since 1908. Yet these men have the hardihood and the effrontery to come to this Parliament and say that part of the floating liabilities of the Canadian Northern system is this $173,114.58 of the Bay of Quinté Railway Company, which represents the sum total of its accumulated deficits. This stock, which is subject to foreclosure and to be absolutely wiped out because the road is in default and not paying its fixed charges, is exchanged for over a million dollars of Canadian Northern stock. The voice is the voice of the Government, but the hand is the hand of Zebulon. That is all I can say. It is so obvious, so plain that he who runs may read. The idea of saying that the stock of a company, which is in default under its securities, which may be foreclosed to-morrow and over which a receiver may be appointed, should be exchanged for over a million dollars of Canadian Northern stock is so absurd that it is surprising that a man would come to Parliament and ask any one to take it. Why? Because on the million dollars you ask the East and the West, and more particularly the West, to pay freight rates. If the evidence of Mr. Muller given before the Board of Railway Commissioners is correct, then that stock should earn $60,000 per annum, which means that that amount would have to be taken out of the farmers and grain growers of western Canada to pay interest as a fixed charge. Is it a reasonable thing to ask the people of Canada to pay $60,000 per annum on $1,395,000 of water in the Bay of Quinté railway, a railway which should be in the hands of a receiver and which has an accumulated deficit of $173,114.58?

We go to the next one—the Canadian Northern Alberta, at page 1673 of Poor's Railway Manual. You will see that the issued capital stock is $3,000,000. Did it cost one dollar? No; it cost the price of lithographing the plate and grinding it off on the printing press. As I said this afternoon of the authors of the Canadian Northern system: Your greed is the only limit to your wealth, if you have a printing press a contracting and a railway company. My hon. friend from Edmonton (Mr. Oliver), who has known what it was in times past to vote against his party, knows that we in the West will have to pay, according to the economic theories that now prevail upon that $3,000,000 for all time a minimum of six per cent or $180,000 each year. This water is exchanged now, par for par, dollar for dollar, for Canadian Northern stock.

Then we go to the next—the Canadian Northern Western Railway Company. My hon. friend from Edmonton will bear me out—my hon. friend from Lethbridge (Mr. Buchanan) knows that it was incorporated against our protest with a fictitious capital—a capital that represents all water. At the present time this railway company is building branch lines in the province of Alberta and has built a completed line to the Brazeau coal fields, which are controlled by a German syndicate and our friends Mackenzie and Mann. It is right and proper and fitting that these gentlemen should have interests in coal mines and other things as well. When this House

was told that these men were being fairly compensated by common stock, because they had devoted their time and energies principally to the Canadian Northern railway, surely we overlooked the London Stock Exchange year book for 1914. There is nothing in which these gentlemen do not find scope for their activities or for the development of their splendid exploiting genius. As I said this afternoon, the fishes in the sea, the cattle on the hills, the timber on the plains, the splendid prairies, all pay toll to them, because whenever they saw something that seemed to be worth something, that would pay something; that it seemed possible to exploit with profit, these gentlemen were there for the purpose of exploiting it. I quote once more from the history of great railways to show the historical parallel:

'Year after year the interests of these men spread in many directions. They went into banking, politics, legislation, land-owning, navigation and newspapers; and with particularly unfortunate results to the public, went into street railroads. They increased their investments and power; and turned their profits made from one greedy enterprise into power to secure more greedy enterprises to gain more profits and more power.'

Those are not my words; they are the words of a great author describing conditions in the United States during and after the construction of the Central and Southern Pacific. Could words more aptly describe what has happened in this country?

Not content with putting the $3,000,000 of water into the Canadian Northern Alberta, they launched into the enterprise known as the Canadian Northern Western in connection with the Brazeau coal fields. They were able to induce this year, by that insidious lobbying to which I shall again refer before I resume my seat, the legislature of the province of Alberta to guarantee the bonds of the Canadian Northern Western Railway Company to the Brazeau coal fields for $25,000 per mile at four and a half per cent, a completed road, after the bonds of this road guaranteed by the Canadian Northern had not been sold. It is in this enterprise, provincial in its character, local in its nature, intended for one purpose alone, that I am asked to see the people of Canada become partners—and I protest.

We go to the next line—the Canadian Northern Ontario Railway Company, dealt with in Poor's Railway Manual at page 1673. As this road is only in the construction stage, its inability to meet the fixed charges is what one might naturally expect; and during its construction, interest accounts are charged up against the proceeds of the bonds. Next year, when that road is completed, the fixed charges on it must be met. The Canadian Northern Ontario has a sweet story behind it. Let me tell you what the capital of that company was. According to Poor's Manual at page 1673, when this Parliament rose in 1912, the capital issued stock of the Canadian Northern Ontario was $250,000 of water. I will tell you how it was done: The directors of Mackenzie & Mann, Ltd., meet together as railway directors and say: We will give you all the stock and all the bonds, if you will build the road. Sir William Mackenzie and Sir Donald Mann and Mr. Zebulon A. Lash said: We will make a little deal with ourselves as contractors, and you will have all the stock and all the bonds and all the monies if you will build the road. When you go to Parliament, there is no contract, you are merely financial agents, looking for money. So they issued the capital. Here is Poor's Railway Manual, page 1674, showing Canadian Northern Ontario's capital account in 1912 as $250,000, all paid up; but after last session, learning a lesson taught by the Parliament of Canada, they rushed to the printing press, and what do you think the capital is to-night—$10,000,000. They added only $9,750,000, because the owners of the printing press and the contracting company and the railway company—their greed being the only limit to their wealth—agreed to add $9,750,000 to the capital stock. Only $9,750,000 of the ocean let in—and Lake Superior still boundless and the sluice gates still to be opened. Mr. Speaker, for this $10,000,000 of water, my hon. friend the Solicitor General has reduced the stock of the Canadian Northern railway by giving them $10,000,000 for this stock. Six per cent on $10,000,000 is $600,000, the amount that the people of the prairies must pay every year in freight rates, in order to afford opportunity to show the matchless powers of the printing press when properly oiled and directed.

I proceed to the next company that is to be reduced in circumstances, the Canadian Northern Quebec Company. I turn to Poor's Manual for this year, page 1674, and I find that that beautiful aggregation has a deficit. Its capital in 1913 was $9,550,000. Last year it had a deficit of $189,136; the year before, a deficit of $124,336, and the year before that, a deficit of $268,963. And so, nearly $10,000,000 of stock with the deficits I have given is to be given

life, force and vitality by exchange for $10,000,000 of Canadian Northern railway stock. The farmers of the West must earn $600,000 a year more to pay for the exchange. I find also that the Canadian Northern Quebec Railway Company has a floating liability of a million and a quarter —to be exact $1,250,490.67, representing the accumulated deficits of the road, and the people of Canada are to pay to get a chance to have more deficits. The people of Canada are asked to exchange that for Canadian Northern railway stock—and you are told you have reduced the stock.

Then we come to the next one—the Canadian Northern Railway Express Company, Limited. I do not know what it earned last year; I have not been honoured with a report. But I know that the Canadian Northern Transfer Company, the next company named belongs to the Canadian Northern Railway Express Company. Then, we come to the Canadian Northern Railway Steamships, Limited. The steamships are bonded for large sums and are capitalized for large sums, and my hon. friend says that they all belong to the Canadian Northern railway. Certainly, that was the intention at the start. He might make the capital stock $100,000,000 as well as what it is because no money passed. I do not know what these boats are worth, but I know what they were offered for. They were built for the Mediteranean trade, and I know that they were offered to two gentlemen who are known to me at very much less than the sum at which they stand upon the books. I assume that the price of boats has gone up in the meantime, and so we have an explanation as to the capital stock and the guaranteed securities. Of course, the boats are very much improved because they were built for the Mediteranean traffic and had to be changed for the Atlantic route—I wish to state that in fairness. Then we have the Canadian Northern Railway Telegraph Company, with which I have already dealt. The next is the Canadian Northern Railway System Terminals, Limited.

I do not know anything about that, except that its capital stock does not represent anything in money, it represents the splendid services that these gentlemen have rendered to the state—the state being, of course, the contracting firm of Mackenzie and Mann. Do not confuse the issue when you refer to these stocks and what the Government is going to do; the Government is not doing this for the benefit of individuals, but for the benefit of the state, but the trouble is that while we spell 'state' one way, these men spell it another. Then follow the Lake Superior Terminals Company, Limited, the Irondale, Bancroft and Ottawa Railway Company, the Halifax and South Western Railway Company. If you will take the trouble to refer to Poor's Manuel for this year, page 1748, you will find that the Halifax and South Western, unfortunately, has not been earning very much money. In fact, they showed last year a deficit of $54,000. Well, we in the West are not very particular. Add that company, at a capital, as I observe from the statement before me, of $1,000,000. That is not much. Just exchange that for the Canadian Northern railway stock and the people who will pay the freight rates and taxes would not be much bothered—and that is all about it. So goes another million—$60,000 a year in freight rates taken from the people is a mere bagatelle. The Irondale, Bancroft and Ottawa last year showed a small surplus—$3,000. Then we have the Minnesota and Ontario Bridge Company, and the Minnesota and Manitoba Railway Company. At page 1,669 of Poor you will find that that concern has a deficit—not a heavy one, of course, but it just happened to be a deficit. And the capital stock of that road, which hon. members will see from the statement amounted to a considerable sum, is to be handed to us to be exchanged for Canadian Northern stock. Then you have the Marmora Railway and Mining Company, the Mount Royal Tunnel and Terminal Company, Limited, the Quebec and Lake St. John Railway Company, whose deficit is only $152,000—we take them at par. Then there is the Qu'Appelle, Long Lake and Saskatchewan Railway and Steamship Company, with capital stock outstanding of only $201,000, which seems to be fairly reasonable having regard to the importance of the road—much less in proportion than the other companies. But, as a matter of fact the explanation is that they were a little late in getting their hands on it; they bought it as a road established, the stock of which had been issued. The Quebec and Lake St. John has $4,524,000 capital outstanding, some of its bonds are guaranteed by the Canadian Northern railway. Its deficits since 1911 are over $150,000. The fact that it is subject to the appointment of a receiver is a matter of supreme

indifference. Then there is the St. Boniface and Western Land Company and the Winnipeg Land Company, Limited. But there is also the Northern Consolidated Holding Company. You gentlemen who read the daily press of Montreal will remember a prospectus published last year with regard to this company. It had the backing of the names of enterprising bankers in Boston and New York. The prospectus is a rather interesting document. I have a copy of it before me, but have not time to read it all. It is spoken of as one of the Mackenzie and Mann undertakings. I observed in the press yesterday or the day before, that this enterprise, is in a rather precarious position —and, in fact, they propose to appoint a receiver. Here is the prospectus that appeared in the Montreal papers last year, in which a well known brokerage firm offered the securities of this company for sale:

> The Canadian Northern Quebec railway, whose lines afford the Canadian Northern railway with access to Montreal and Quebec, and ultimately to the Maritime provinces, is one of the most important units of the system.
>
> The properties owned, controlled and dominated by the Canadian Northern railway form an estate so extensive that the outlines of this gigantic corporation can be but faintly comprehended and its future can only be visualized by the exercise of a considerable degree of imagination.

I should think that aptly described the situation. And we are taking that company, too, and of course we are doing a little something in the way of issuing stock for that. We are getting all these, and, in exchange, you are giving Canadian Northern railway stock, whose future the most brilliant flight of imagination can hardly picture.

I have dealt with the list of companies in the first and second schedule. For these things, and the present $77,000,000 of issued Canadian Northern capital there is to be issued $100,000,000 in Canadian Northern stock. How much of that is no good? How much of it is absolutely useless? Remembering, as I hope you do, Sir, that at the present time $45,000,000 of this water is held by the Canadian Northern, we propose to take the other $100,000,000 of these companies—I have pointed out that while all of it is watered, most of it is now useless—and we are going to put behind it the security of this great Dominion, the name of this great Dominion the name of the Crown in right of all the people of Canada, through a fourth mortgage, and give the stock strength, life and vitality. I venture to think that when the people of Canada understand that they will pause; I venture to think that the people whom I have the honour to represent, the people of western Canada, will hesitate; they will want to know what this $100,000,000 means, and I want to know. I am here only as trustee for the many thousand people whom I represent, and they demand of me what I mean by standing in Parliament and giving to $100,000,000 of water a value when it possesses none? I want the answer, but I am unable to get it.

So much for the $100,000,000; so much for the reduction in the capital stock. I challenge any man in this House, in the face of these documents and in the face of the reports published in Poor's Railroad Manual, to say that we have reduced the capital stock of the Canadian Northern. On the contrary, what we have done I have just described. Sessional paper No. 269 c, which I think, is not printed, shows that the floating debt of the Canadian Northern Railway Company and other allied companies amounts to over $10,000,000. The identities of these companies are to be preserved; their corporate existence is to be assured, but there is to be substituted for their stock—not, mark you, a substitution in the sense that there is to be an exchange, but the purchase price to be paid in respect of that stock by the treasury of the Canadian Northern railway is the difference between $77,000,000 and $100,000,000, $23,000,000. But that is not all. Did you ever hear tell of five per cent income charge convertible bonds? The genius of these men as financiers I do not desire to underestimate. There is no scheme known to the wit of man; there is no device that ever financial acumen knew of which they have not resorted to. I desire to pay tribute to the colossal brain and intellect that is behind it all: that there is not in this great Dominion a man with the intellect, the keen perception and the financial acumen of Mr. Z. A. Lash. But his great powers of intellect and mind and his great legal knowledge are used for this corporation's advancement at the expense of the people of this country. And that is his business, mark you, but his viewpoint is constantly the viewpoint of a man who acts for the company of which he is a director, for the interests which he serves and serves so well. He has been able to create schemes and systems that almost, but not quite, dazzle the intellect, confuse the mind and prevent their being understood. These five per cent convertible

bonds that were issued from time to time amounted to $25,000,000. The first issue was $7,500,000; the second issue was $7,500,000 and the next was $10,000,000. When the first block was put on the London market, they sold at less than par. When the next block was put on the London market, they sold for less than par. When the last block was placed on the London market, by a clever system of financing indicated in a special letter which was sent to a syndicate of which the British Empire Trust Company was a part, of which Mr. Horne Payne is the managing director and of which Sir William Mackenzie is also a director; the British Empire Trust Company and a few men in high finance in London conceived the possibility of taking an option from the first upon this convertible stock in order that they might be able to sell it at more than par. And so, according to the prospectus I have under my hand under which these bonds were launched upon the London market, they were placed at 106 and the premium amounted to $600,000, of which $250,000 only found its way into the coffers of the Canadian Northern. At least, the report says so; perhaps everything is not told in the report, but it says that that is all the railways put in. They issued a prospectus in which they stated to the people who invested, that this road would soon be another Canadian Pacific and the English investors bought at 106 these convertible certificates, paying a premium of $600,000. When they issued the trust deed under which these bonds were secured, the capital stock of the company was only $55,000,000. I commend the attention of the House to this paragraph in exhibit No. 269a, the trust deed for the five per cent convertible stock. These are the words:

> And whereas the company represents that the capital stock of the company is now $70,000,000, divided into shares of common stock of $100 each, of which $55,000,000 has been issued and is outstanding and fully paid up.

$70,000,000 authorized, $55,000,000 outstanding and income certificates to be issued amounting to $15,000,000. It was necessary, as these were convertible, to put into the hands of the trustees $15,000,000 worth of stock. It is stated, as I pointed out, in the prospectus that as this company's stock in the first instance had not been increased and was only $55,000,000, it would be necessary to increase the capital to $70,000,000. They increased the capital; they put the $15,000,000 up and now they want us to do it over again, because in this agreement the right is reserved to this company to increase its capital to another $25,000,000. My friend the junior member for Halifax (Mr. Maclean) yesterday directed attention to that point. So not only was the capital increased from $55,000,000 to $70,000,000 between June 30, 1909, and June 30, 1910; not only was there $15,000,000 not issued on May 6, 1910, the date of the trust deed, but the $15,000,000 having been deposited for the purpose which I have stated, it looks to be an easy chance to do the people again, and so we take the right to add another $25,000,000 to the capital whereby the capital becomes $125,000,000 although, according to the trust deed, $15,000,000 of that has already been taken care of. But Sir William Mackenzie and Sir Donald Mann say: oh, no, we did not take care of that; all we did was this: we put our stock up with the trustees only in the meantime and until the opportune time came to change it for treasury stock. Now is the opportune time, they say. Evidently they believe in the old doctrine: 'now is the appointed time.'

The hon. Solicitor General told us, as did other members who spoke on the subject, and as did the hon. member for St. Antoine, that we were going to get security upon these various debentures and stocks mentioned in the second part of the second schedule. Why, Sir, we have them now. The company has borrowed all the money it could upon them by debenture stock issues, and these are not redeemable. The stock is irredeemable and perpetual. Why fool us with stories like that?

Why tell us there is equity in something that is mortgaged for all time, perpetual, irredeemable? What does perpetual mean if not irredeemable, for all time? Can they talk about an equity of redemption in a perpetual stock? That is a contradiction of terms, an abuse of language. The fact is that the securities are held in perpetuity by the Trust company for the four per cent perpetual debenture stock and in the prospectus on which they were sold these words appeared:

> This stock is perpetual and irredeemable.

Then we pass on to the next point. The agreement has been said to involve absolutely a reduction of stock, and an improvement in our security. There is another thing said about this agreement that I should like to discuss. They say: We are getting forty per cent of the stock of this company and you should be satisfied; and we are going to get one director and a right to look at the

books and make an inspection and as my hon. friend besides me says, to have a balance sheet. That is a large concession. According to my appreciation of the Railway Act, railway companies have to render balance sheets anyway, but perhaps I am mistaken. In the facts I have stated as to how this capital is made up, as to how it has been constituted, the people of this country want no such partnership as that for their guarantee. You ask me why. Well, the fact is that one director can do nothing but create trouble. Do you realize that on the railway in Quebec to which I referred the city of Quebec had the right to name a director and the Government has a director on the board of the Grand Trunk Pacific even as the old Government of Canada had on the Grand Trunk Board. I have heard of the enormous control exercised over the line. I have heard how he has cut down the cost of construction and reduced the cost of betterments! My hon. friend the ex-Minister of Railways (Mr. Graham) will know what a stupendous power the Government director on the Grand Trunk Pacific was in connection with that enterprise. There is only one thing for us to do, we must not permit the men who have created this condition to control and dominate and operate this road. One director is to add insult to the injury that has already been done to the Canadian people. I do not want any man representing me, as one citizen of this country, to sit at the board of this company and become a recording machine for a brute majority. What power would he have? He would have the power to look at the books. According to my understanding of the law, any director may look at the books; and we have an absolute right, through the machinery of the Railway Act, to know about these things. The Government now says that we are going to have the right to look into the books, to inspect them, and to put a director on the board of an enterprise that has been cursed with incompetency in operation, with inefficiency in upkeep, that is not a railway in a proper sense of the term—and we are to become partners in that and have one man on the board and a look in at the books. Why, Sir, it is monstrous, absolutely.

You may say that any man can be destructive in criticism and ask me what I offer against that. That is a fair question.

9 p.m.

I offer this: I say that the stock of that company should not be in the hands either of the Government or of these men, that it should be in the hands of a trust company; and I would put a man in charge of the operation and completion of the construction of that road who was a railway man and not a contractor. Is it right that men occupying the dual capacity of owners and contractors should carry forward an enterprise on which they have brought disaster? I ask my hon. friend, would he do it in his business? Is there any man in this House who would do it in his own business? Would any reasonable business man in this House for a single moment entrust the administration of his estate and affairs to a man who had so mismanaged it as to bring about the crisis that now exists? The first thing you would do would be to remove the incompetent servant or manager. There is a man who left this country and with great distinction administered the Government railways in Australia; that was Sir Thomas Tait. I would get a man of that type to administer this road, to give us a report on its physical condition. Let us know where we are at before we start on this toboggan slide that will land us we know not where. Am I not reasonable? I ask you to apply to this matter those intelligent precepts of business that govern every man in his own affairs. I appeal to the business men on each side of the House, to the men of large affairs—and there are men sitting in this House who have administered the affairs of great and vast enterprises, men who have had to do with great business undertakings, men who are the directors and managing directors of vast industrial concerns. These men would not for a moment entrust an insolvent concern in the hands of the bankrupt who had brought about its insolvency. Would the courts? For five of the companies I have named are to-day in a position where a receiver could be appointed and the courts could intervene. These men come to the House and say: We have floating debts, we have liabilities which we cannot now readily discharge, but can discharge in a year. But in the meantime we are going to have these men in charge of our property, because we are making it ours, putting ourselves behind it. I ask this Government not to enter upon so perilous an enterprise, so hazardous an undertaking, an undertaking so fraught with disaster to the body politic, so dangerous to the generations that are yet unborn upon our western plains. Let us be trustees for posterity in the proper sense of the term. Let us care for the race that comes after us and not damn them and place them in a

position where they cannot help themselves, in a position where they will have excessive fixed charges and heavy freight rates. I ask this House to consider, I ask this Government to pause and consider before entering upon this matter. I do not believe that the calm, astute, reasonable judgment of men of affairs would for a single moment direct them along that channel. The next distinctive feature referred to by my hon. friend this afternoon, and one which has been much relied upon by others, is the power of foreclosure. I wonder where the hon. member for Peterborough (Mr. Burnham) is who places such reliance upon this power. Let us look at it. May I ask you to turn your attention to sections 22, 23 and 24 of the proposed Bill. Let us carefully consider what they mean:

That upon the happening of any event of default and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern, and to appoint a board or boards of directors in lieu thereof.

Is that foreclosure? Oh, no.

Mr. GERMAN: Semi-ready foreclosure.

Mr. BENNETT: It is not even semi-ready foreclosure. I know that if one man appreciates my position to-night, it is the hon. member for Welland. He knows what it is to stand up on his own side against his own party, and I hope the results will be no more disastrous to me than they were to him. That is not foreclosure, that is taking possession as a receiver. I want to make that clear. In other words the Governor in Council sits down and says: Under the advice of my ministers I wipe out the board of directors and appoint a new board which has supreme control over this system to operate and run it. That is a receivership after the money is spent. Just look at the folly of that provision, so far as we are concerned. If the company, or one of the subsidiary companies, makes default we may take possession. Did you observe from the returns I read that two of these companies have already made default for four years running? Therefore, it follows that the receivership is due to-night. We are going to do the nonsensical thing; provide for a contingency in order that these men may get their securities out of hock. That is what it amounts to, when stripped of everything. We are going to put $45,000,000 in their hands to spend and while they are spending it these roads may continue to run at a deficit. What assurance have you that these roads having made default for four years running are not going to continue to do so? The default then has arisen, the receivership is due to-night, but we are going to go through the formality in order that they may get their hands on the money, not in a literal sense you know, but in order that they may direct, order more rolling stock, make new contracts, build more roads at no profit! No, Sir, in order that the boundless ambition and greed of these men may be satisfied, that is all. Let us go a step further. The receivership being due and the receiver appointed, what is the next step? It has been sent broadcast throughout Canada that this railway can be taken possession of and these men put out of business. Here is something I want this House to please attend to. I beseech hon. gentlemen with all the power I have to look at clause 24:

That if authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed.

They talk about the slow machinery of the courts, but look at this: 'That if authorized by the Parliament of Canada,' You have to come back to Parliament to foreclose. To foreclose what? About $60,000,000 of stock outstanding in the hands of Mackenzie and Mann. Our $40,000,000 is there too, and the $25,000,000 of convertible securities, which may not be converted, are also there. We are going to foreclose our interest, but we have to come back to Parliament to do it. Mr. Speaker, those loyal devoted Canadians who believe that democracy's mission is not fulfilled, and that popular government is upon trial, know what that means—a long protracted lobby as to how much we are going to pay to get rid of Mackenzie and Mann. Do not you think you see that lobby, do not you think you see that session of Parliament and the corridors black with the lobbyists moving to and fro, trying to see that the Government does not foreclose unless it pays this much or that much. Is that the way we are going to deal with this matter? What about your unpaid contractors then—and these men are still free to contract. What about

the unpaid labourers then; and the unpaid equipment men? This company, and these men, are still free to run into debt, still free to create further obligations, to pledge the credit of the company, and they come to us when this Parliament is asked to authorize foreclosure—mark you, it says: 'that if authorized by the Parliament of Canada'—and they say: behold what we have done; you must not foreclose us unless you take care of this man, that man and the other; look what we have done; all we got was common stock; do not wipe us out without something; give us something; we are the champion mendicants of our day, peradventure, we starve if you do not give us something. That is absurd. Let me read once more from the book to which I have already referred. The chapter and verse are indifferent, but the sentiment is important. It is speaking of the lobby Huntington carried on. You know the United States guaranteed the bonds of Huntington's road at 6 per cent and he got a land grant besides. He went down to Congress for thirty odd years and carried on the finest lobby ever known in the world, barring, of course, the not feeble imitation we have had here in the last few years. This author says:

> The money cost, of course, was great, but as the cost was saddled directly upon the people, this was not a matter of importance to the company. It was equipped with funds to buy whatever was needed, and it had very active support in ways and from men that cost little or nothing.
>
> This at first seems strange, but on reflection will be found to be true and to represent a universal condition in this country. The railroad company took and still takes advantage of the following elements that exist in every community:
>
> 1. Men that can be fooled by party loyalty.
> 2. Men that are eager for political careers and know there is no chance except by serving the money power.
> 3. Merchants that can be controlled through their banks, or terrorized, or brought into line with rebates.
> 4. Men that believe the railroad company and all great corporations to be part of 'our set' and feel a class-conscious satisfaction in allying themselves against the rifraff and the ignorant rabble 'envious of us of the better orders.'
> 5. Men that are fooled by the purchased press.
> 6. Men that can be had for a pass or two.
>
> Beyond these remains the class that must be secured with money, including bosses, heelers, professional politicians, repeaters, colonizers, floaters, lodging-house keepers, the keepers of such dives and disorderly houses as cannot be controlled through the police, the saloon keepers that cannot be controlled through the breweries.
>
> All of these were fully utilized by the political department and secured for the railroad company through the control of the state legislature.

Now I ask that we think of those words when we are considering the provision of this Act which will lead to one of the greatest lobbies ever known. I have had some experience in the practice of my profession and it has been my privilege, sometimes my unhappy lot, to foreclose mortgages, and sometimes under trust deeds.

Sometimes I have gone to the courts, when an appearance has been entered in behalf of those who own the property. I have head a pitiable tale of repeated efforts and failures and the judge has been asked to fix a long time hence in order that there might be a redemption. Sometimes a delay of six months, sometimes twelve months and sometimes longer is given depending upon the ability with which counsel has presented his case or the pressure of circumstances. Here these gentleman are putting up a claim and we are the mortgagees in possession responsible more strictly than in any other capacity that possibly could be created. I need not say to any lawyer in this House that a mortgagee in possession is held to more strict account than any other man in the world. As receivers and mortgagees in possession we are to be asked in this Parliament to fix the terms of foreclosure and at the bar of the high court of Parliament these gentlemen cannot—will not—be heard in person. That is the insidious provision to which I have referred. That is the champion deceptive clause of this agreement.

But that is not all. During the course of my study of this matter I tried to ascertain what, thirty years ago, the Parliament of Canada did. My right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), with his forty years' experience, will remember what it did and it will be no new story that I repeat to him. But there are men who have had less experience in this Parliament and they will not remember the circumstances which occurred at that time. I refer to the position which was then taken by Parliament in relation to the assistance which was given to the Canadian Pacific Railway Company to enable it to pay its floating debt of $7,500,000 and to meet other obligations to the amount in all of $30,000,000. There will be found in the records of the Library a letter of Sir George Stephen in which he said: 'I regret that we have not been able to sell our stock, although its dividends have been guaranteed by the Parliament

of Canada for a term of years, but in the city of Montreal the directors of this company have put up their personal securities in order that the enterprise may be continued.' Is Sir William Mackenzie a less rich man than was Sir George Stephen? Are Sir William Mackenzie and Sir Donald Mann less rich than Duncan McIntyre and Donald Smith of that day? There are men who say the richest man in Canada is Sir William Mackenzie. Why does he not lend something to his own enterprise? I commend this House to the consideration of that letter of Sir George Stephen, now Lord Mount-Stephen. What did this Parliament do then about foreclosure? Let us look at the sections of the Act. The arrangement with the Canadian Pacific railway will be found in the statutes of 1884, chapter 1. This is now nothing more perhaps than a reminiscence; but is known that the caucus of that day rejected the proposals of Sir John Macdonald in the first instance to aid the Canadian Pacific Railway Company, but later on a modified proposal met with the approval of the caucus and it was enacted into law. What does that statute provide with reference to foreclosure? It provides, first, by section 3, that the time for payment of certain obligations shall be extended; it authorizes a loan of $22,500,000; it provides for an immediate advance of $7,500,000 and it provides as security, under section 5, the following:

As security for the repayment of the said loan, with interest as aforesaid, and as additional security for the payment of the said sum of seven million three hundred and eighty thousand nine hundred and twelve dollars and interest, falling due on the seventh day of November, one thousand eight hundred and eighty-eight, the Government shall have a first lien and charge upon the entire property of the company, real and personal, now owned or hereafter to be acquired or owned by them, including their main line of railway, the extensions thereof, their branch lines of railway, the whole of their equipment, rolling stock and plant and all their steamers and vessels, and also upon the land grant of the company, earned and to be hereafter earned; saving always, however, the rights of the holders of the existing mortgages on the extensions of the line of the railway from Callander to Brockville and Montreal, as security for the unpaid balances of the purchase money of the lines constituting the said extensions, and subject to the mortgage upon the land grant, executed by the company to secure their issue of land grant bonds; and the Government shall continue to hold and retain the entire amount of land grant bonds now in its custody or possession, subject to redemption under the terms of the said land grant mortgage, and with all remedies as to interest, voting power and all other matters in respect thereof, which would be held or possessed, or could be exercised by any purchaser of the said bonds; and all moneys received by the Government from the trustees of the land grant bonds in redemption of such bonds shall be applied as follows, that is to say:

There follows a statement as to what is to be done. Then, they are to build the line within a certain time and here is the section providing for the default, subsection 2 of section 6:

That upon default for twelve months in the payment of any half-yearly instalment of interest upon the said loan, or any part thereof, or of interest upon the said sum of seven million three hundred and eight thousand nine hundred and twelve dollars, or any part thereof, or in the payment of the principal of either of the said sums or any part of either of them when the same shall become due, in accordance with the provisions hereof, the right of the company under their contract hereinbefore mentioned, to demand or receive any further cash or land subsidy shall cease and determine, and the said railway and extensions thereof, branches, equipment, rolling stock, plant, including steamers, and all lands and property of the company and all land grant bonds then in the possession of the Government—

Remember the Government was then holding land grant bonds of the Company which could not be sold.

—shall vest in Her Majesty, and shall forthwith, thereupon, be taken possession of by the Minister of Railways and Canals, on behalf of the Government of Canada; and each and every employee of the company shall, from and after the expiry of the said period of twelve months, become and be the employee of the Government during pleasure, and shall hold and possess any matter or thing apertaining to the said company then in his custody, as and for the Government; and the rates of interest, and the terms of payment, hereby fixed, shall not be disturbed or altered by the terms of such agreement.

Then it goes on further:

The said company is hereby authorized to execute an agreement of the nature and purport hereinbefore provided for, and to charge its entire property and assets, in manner and form as hereinbefore described; and in such agreement to agree upon such further and other conditions as the Government may prescribe; provided, that authority to the board of directors of the company to accept the provisions of this Act and to execute an agreement containing the charges upon the said railway and property and the other conditions required or authorized by this Act, shall be granted by the shareholders of the company, either by a resolution passed at a special general meeting of such shareholders called for the purpose, by a vote of at least two-thirds in value of such of the shareholders as shall be present or represented at such meeting, or by an instrument or instruments executed by at least two-thirds in value of the whole of the shareholders of the company, in person or represented by their attorneys or proxies, respectively, duly authorized in that behalf.

What does that mean ? That means that the shareholders agreed that their interest in the property as shareholders must, and

should be, lost, if they failed as shareholders to make good the conditions mentioned in the statute. What have we here? —not any such thing as immediate foreclosure, and not any agreement by the shareholders by which their stocks may be forfeited. But having regard to the decisions of the Privy Council in cases that came from the province of Nova Scotia, it has been clearly and definitely stated and laid down that, unless the Crown states positively beyond question that it intends to destroy that which belongs to the private individual, as far as possible it shall not be destroyed without adequate compensation. This $60,000,000 of stock, that may be scattered broadcast throughout the world, will stand at the door of Parliament and say: We paid eighty cents on the dollar for it when we bought it. It is true there is a statute, but we did not know about the statute; and because we did not know, we ask Parliament to listen to the greatest lobbying of our time and to postpone foreclosure until Parliament has passed and settled the terms. I ask the Government to adopt the terms of the Canadian Pacific statute and I say: If you are going on with this, then do not let Parliament again be disgraced by that which is referred to, in the history of the Huntingdon lobby, as the worst of its time. I am weary and sad to see the men who wander around and threaten and cajole and coax, and sometimes do one thing and sometimes another, in order to get us to do what they want. We are not here to discharge a public trust for this set of men or for any other set of men that may ever arise; and when we say that these men ought to be foreclosed, I ask that they be foreclosed as it is provided that the Canadian Pacific railway may be foreclosed, namely, by a contract arranged between the shareholders and the Crown, by which the shareholders will say that, if default be made, the stock will be wiped out. Do not let us wait a year and permit this thing to happen. If you must do this thing, please do it at least in the manner I have mentioned—my hon. friend from St. Antoine (Mr. Ames) says if they make default, then the axe will fall. It is not the axe; it was only the invitation that will be sent out—the invitation to an execution that might never take place; that might be postponed, and, after all, instead of being an execution, might turn into a wedding.

One word more in relation to the question of interchanging traffic. Great credit was taken by the Administration because it said: We are going to have an interchange of traffic—and the statement did not contain the words 'as far as possible.' I was taught to believe, in the school of law in which I had my training, that 'as far as possible' was always understood; and, if you are going to say that a man who ships his goods cannot choose the route by which he is going to ship them, something new has happened in Canada. It surely is not contended by this Parliament that a man who ships his goods from Calgary cannot say: I am going to ship them via lake and rail, or via so-and-so or so-and-so. Surely it is not contended that you are going arbitrarily to say to every shipper in Canada: You must make a contract to ship your goods by such and such a railroad. If a shipper sees fit to choose a certain route, why, of course, by the Railway Act, he has the right to do so. I suppose you are going to amend the Railway Act and declare that hereafter no shipper, at any point served by the Canadian Northern, will have the right to choose the route by which he shall ship his goods after they reach a point which may be served by one of the roads in the agreement. That is all there is in it, and I leave the matter for the consideration of the House.

The question that is of vital importance to our country is the duplication of existing transportation facilities. I hold in my hand the judgment of the Board of Railway Commissioners in the western freight rates case. Might I offer this suggestion to the Government, that they have this document printed and distributed to every member of this Parliament, because, while there may be on the board men who differ from me, I would like to say this for the board, that it has expended an amount of industry and care and patience and attention to the details of the transportation problem that will astound those who take the trouble to read through their report. I find on looking at this report that Mr. Drayton, at great length, at pages 53, 54 and 55, deals with the question of transportation facilities in Alberta and Saskatchewan, and alludes to the need for facilities that will serve the territory within ten miles of either side of the railways. He finally turns to the consideration raised by Mr. Muller, the expert, and points out that the real difficulty that has to be met is the question of the duplication of transportation facilities. At pages 54, 55, 56 and 60 he deals with the whole question, and finally concludes as follows at page 67:

> For the reasons already pointed out, the board does not pass any opinion as to how

much of the duplication shown was or was not necessary. The criticism of Mr. Pitblado, however, is at least in part well founded, and the necessity for a business control by the Government which will prevent the unnecessary duplication of transportation facilities in the future as urged by Mr. Bicknell, is established.

There I rest again. No provision in that regard has been made in this agreement. These men may continue, as they have been doing in days gone by, to push work out here and there, to get the bonds guaranteed, the bonds sold, the proceeds paid into the bank, and year after year no facilities created, year after year the time gone by and no road built. They give us facilities that parallel existing ones, and give the people no better transportation opportunities, because there can be no lessening of the rates, they being fixed by the Railway Commission. Where rates are fixed by the Railway Commission and are uniform, the duplication of existing transportation facilities is one of the worst grievances the people of the West have to contend against. I ask: Has any man looked into the transportation problem of western Canada in the light of existing conditions? You have the Grand Trunk Pacific railway, built to a standard never before seen on this continent, with eighty pound steel rails, with splendid grades and easy curves, a great artery capable of handling great traffic, but with few branch lines. Then you have the branch lines of the Canadian Northern scattered here and there, that might be made tributary to a great artery; and by some working agreement between these two systems, you might prevent the duplication of existing lines and offer to the people some effective transportation facilities. There is the opportunity. This $45,000,000 that we talk about so glibly to-day, wit h the present cost of transportation, would give to western Canada thousands of miles of cheap roads. What we want is branch lines—surface roads, if you will—cheap feeders to great arteries, in order that the traffic of this country may be carried to the seaboard at a small cost. Mr. Drayton, in the judgment to which I have referred, points out that the cost to the farmer of getting his product to the railway is what destroys his profit. He points out that the cost is enormous—20 cents a bushel in some instances, more than that in others. You will find it all dealt with at length between pages 50 and 60 of the judgment. It shows what is demanded is transportation facilities within ten miles of the farmer that will enable him to get his crop to the market, whether it be cattle, or pigs, or butter, or eggs, or dairy produce, or wheat, or whatever it may be, so that he may be afforded the opportunity of getting the products of the soil and the produce of his toil carried to the markets of the world cheaply. This is what the West demands. This is what the Canadian Northern has failed to do. Its promoters have given vague promises—promises that have not been kept. They have made promises marked in black upon maps, which were calculated to mislead and which did mislead intending settlers.

North of the city of Edmonton there is a great fertile empire that is now being developed; and if the facilities now under construction are completed, there is a duplication, and the money so expended will not be used in giving to other sections of that vast empire the facilities that it so much requires and demands. That is the case in the province of Alberta and in the province of Saskatchewan, perhaps less so in the province of Manitoba; but what we require and demand is some policy of vigorous construction that will make possible the bringing of transporation facilities to the men who are building this empire.

That is what we demand, that is what we require. This partnership will not do. Since when did the loyalty of this country, since when did the intelligence of this country, permit the Crown to enter into partnership with men guilty of the misrepresentation of which we were the victims last session and which I have mentioned. Something was said of national disgrace. Certainly, it would be a national disgrace for the Crown to enter into partnership with the men from whom we have obtained $7,000,000 of watered stock ground out by the printing press. That was taken at two hundred cents on the dollar. It had a high value last year. This year, of course, the price is less. We get the $33,000,000 more and are giving a guarantee to pay $45,000,000 and putting ourselves behind over $200,000,000 besides. I guess the stock is going down, or up—but nobody can tell unless it were a receiver or mortgagee in possession. But are we warranted in going into such partnership? I say, nay.

In conclusion:

1. We have been in times past the victims of base deception;

2. The reports published abroad by this company of its undertakings, its payments and receipts are apparently untrue, be-

cause the payments alleged are not shown to have been made, and moneys claimed to be on hand are now said not to be there.

3. The stocks of the companies it is proposed to bring into this system are in many cases already partially held by the Canadian Northern railway, and the securities are now held in their entirety. These things are plain and obvious.

4. By the alleged reduction of capital, it is proposed to give life and vitality so far as can be given to water by this legislative action—to exchange stock that has no value for that which, according to the eminent authority whom we heard last evening will shortly reach par value. Imagine, for instance, $1,395,000 par value of Bay of Quinté stock being exchanged for shares of an equal value in the Canadian Northern railway to be, in a few years, worth par!

5. We become mortgagee, receivers in possession, without any adequate provision for immediate foreclosure.

5. We become mortgagee-receivers in the people of the West will secure better or cheaper transportation facilities.

7. And lastly, it means a partnership which, for the reasons I have given, we cannot tolerate.

Then, you say, what do you offer in place of this arrangement? I answer at once: Instead of what is here proposed, first, the stock of this company should be vested in a trust company. Second, these men should be removed from their position of direction of an enterprise they have made insolvent. Third, a statute should be passed to enable the Governor in Council to advance money to pay the artisans, the contractors, the equipment builders—the men whose money and labour are in the enterprise and to subrogate us to the rights they have against the men with whom they have contracted—the Mackenzie and Mann Company, Limited.

Then, I ask that we should make the fullest possible inquiry as to the condition of this road. There is a difference of opinion on that subject. The enterprise of these men may be surrounded with the halo which was pictured for us this afternoon. They may be the most slandered men in the world; they may be angels in disguise. They are said to be poor men who left their native towns with little and are now worth millions; and it may be that these millions came to them even as the manna came from Heaven. It may be that this represents their honest toil as railway contractors to which for eighteen years they have given their time. This may all be. If so there are no men so much interested in having it known as they. And it is necessary that the people of this country should know and understand, for we are to put ourselves as fourth mortgagees behind an enterprise of waterlogged securities and watered stock, and we demand that we should know what the end will be before we enter upon an undertaking so vast, a policy so hazardous.

But more—and with this I conclude. We ask that an opportunity be given to those who toil to get the produce of their land, the product of their toil, to the market at the least expense. My hon. friend from Kingston gave me great joy as he spoke last evening of the wants of the West and of the bond which lies between the East and the West. I ventured, at various Canadian clubs in this eastern country when first I came here, to point out some of the grievances, or alleged grievances, under which the people of the West labour. They complain of many things, but nothing strikes them so hard, nothing pinches them so cruelly, as undue railway tolls—the twenty cents a bushel that must go to get the crop to the railway on which there is but little profit. Nothing makes them more disconsolate, more unsettled and more discontented, than to think that the produce of their lands and their hands has gone merely to carry that produce to where it may be sold. We hope to develop the West. I am an optimist; and I believe that in the West we have the greatest land under the British Crown potentially. But it requires strong hands, vigorous minds, great enthusiasm, much optimism, the expenditure of Capital, and beyond all that, a common feeling for a United Canada, to build in that West a great land. That is not going to be done rapidly; our population is not so easily to be assimilated. Here to-night upon this issue rests largely the future of the West. When they tell me what this road is going to earn, I refer to the figures, and I have under my hand a volume on the earning power of railways. Neither Mr. Hanna nor anybody else can tell me that they are going to earn fixed charges with the traffic that it will be possible for them to develop. They know it, I know it, the country knows it. Shall we, then, take this road and operate it as a Government enterprise? I cannot say until we have had a report and physical valuation. The people of the United States have found that freight rates must be based on

physical valuation—that water has no value. That physical valuation will show what the property is worth. The long ten-years' struggle in the United States came to an end last year, and the Inter-State Commerce Commission commenced its labour of physically valuing every road in the United States, and on that valuation they will base the freight rates of the country. Let us begin right. We are putting upon the people of western Canada especially a burden. Let us pause before we go forward lest it be said of us that we have made progress too swift and have not considered the end from the beginning. They are the statesmen, who in public affairs forecast every phase of a proposed policy and understand what it means. It is for us to look at this enterprise in that way, and not to be deterred from our duty because the action which that duty lays upon us seems temporarily unpopular.

Sir, I have to thank the members of this House for the patience with which they have listened to me. There are many other matters I should like to have said but I shall be able to deal with them on the second reading. One word, and this is my final one. In this city recently we have had a visit from a great English poet. What this poet said with regard to empire builders seems to me to be strictly applicable to this situation in view of the contention that has from time to time been heralded abroad that we should be generous to Mackenzie and Mann as empire builders:

Who are the Empire-builders?
  They whose desperate arrogance demands
A self-reflecting power to sway
  A hundred little selfless lands?
Lord God of battle, ere we bow
  To these and to their soulless lust,
Let fall thy thunders on us now
  And strike us equal to the dust.

Leaders unknown of hopes forlorn
  Go past us in the daily mart
With many a shadowy crown of thorn
  And many a kingly broken heart;
Though England's banner overhead
  Ever the secret signal flew,
We only see its cross is red
  As children see the skies are blue.

For all are Empire-builders here
  Whose hearts are true to Heaven and home
And, year by slow revolving year,
  Fulfil the duties as they come;
So simple seems the task, and yet
  Many for this are crucified;
Aye, and their brother-men forget
  The simple wounds in palm and side.

But he that to his home is true,
  Where'ere the tides of power may flow,
Has built a Kingdom great and new
  Which time nor fate shall overthrow.

These are the Empire-builders, these
  Annex where none shall say them nay,
Beyond the world's uncharted seas,
  Realms that can never pass away.

On behalf of these true and real empire builders who have made the West what it is, and who have done something to make this Canada what it is, I give voice to a protest against the measure that has now been submitted for the consideration of this Parliament.

Hon. FRANK OLIVER (Edmonton): I think that the hon. member who has just sat down is entitled to be congratulated on the independence of spirit which he has shown and the House is indebted to him for the study which he has given to the very important subject that is now under discussion. I am not altogether able to agree with the view that he expressed in the beginning of his remarks, however, that this Canadian Northern enterprise was beyond the scope and necessities of the Dominion of Canada. He strongly took the ground that Canada is not big enough for three transcontinental railways. I will admit that, but we want three transcontinental railways to make Canada bigger; we think that is one of the ways by which Canada's greatness may be advanced. As to the possibilities, let me point out that there are to-day three railways from Chicago by way of St. Paul to Puget Sound passing through a territory absolutely similar to that in our country between Winnipeg and the coast, absolutely similar and of like extent, and that these three railways find great business, large traffic and satisfactory profits from the carrying of freight and passengers through the tier of states that lie alongside the Canadian boundary.

Mr. BORDEN: What are the roads to which my hon. friend refers?

Mr. OLIVER: The Northern Pacific, the Great Northern and the Chicago, Milwaukee and Puget Sound. I say that what has been done south of the boundary can be done north of the boundary, and that what has been necessary south of the boundary is or will be necessary north of the boundary. I note that when the right hon. Prime Minister was making his presentation of this case he took occasion to remind the House that it was the Liberal Government, by their action in 1911, that committed Canada to the Canadian Northern system as a transcontinental enterprise. I think I saw in the allusion something more than the desire to give credit to the late Liberal Government. I am rather of the view that

the right hon. Prime Minister was laying the foundation for the argument that such difficulties as surround the Government of the day in dealing with the Canadian Northern are measurably due to the late Government, and that for them the present Government is not entirely responsible. For what the late Government did the late Government must assume the responsibility, and I believe the members of that Government are entirely willing to assume full responsibility for everything that they did in connection with this Canadian Northern enterprise, as well as with regard to other matters. But while they are prepared to assume full responsibility for what they did, let there be a sharp distinction drawn between what they did and what they did not do: between the responsibilities of the late Government and the responsibilities of the present Government, which began in the fall of 1911, two and a half years ago. It is true that the Liberal Government gave important aid to the schemes of railway transportation that now constitute the Canadian Northern system, and it is true that in the year 1911, when they made provision by guarantee for connection of the eastern with the western sections of that system, they did use the argument that a transcontinental system was desirable. But let me point this out: that while they said then, and I say now, that a third transcontinental railway system such as that undertaken by the Canadian Northern is an ultimate necessity for this Dominion of Canada, it does not by any means follow that it was then or is now an immediate or pressing necessity. Let me make my point clear. The Canadian Northern, as the House has already been informed, had its inception in the province of Manitoba as a local project. It was then extended to connect the province of Manitoba with lake Superior. That having been done, a guarantee was given by the Liberal Government to enable the company to extend its lines from Grandview, in Manitoba, to Edmonton, and from the Manitoba boundary to Prince Albert, a guarantee of $13,000 a mile for the respective distances, some six hundred miles in one case and two hundred miles in the other. These lines were built. Following upon their construction the provincial Governments of Saskatchewan and Alberta saw fit to make provision for extensions of branch lines from the main line for the accommodation of the people of those provinces, for their greater development, and for the benefit and welfare of the Dominion of Canada. A great transportation system was built up in those western provinces, extending from lake Superior practically to the Rocky mountains, on the joint responsibility of the Dominion and of the three prairie provinces. At the same time enterprises were entered upon in the eastern provinces by the Canadian Northern Railway Company, and by 1911 railroad connections had been established under control of the Canadian Northern railway between the cities of Quebec, Montreal and Ottawa, and between Toronto and Sudbury. For reasons that have been given to the House, it seemed to the Government of that day desirable that the important commercial and industrial centres of eastern Canada touched by the Canadian Northern railway should be directly connected with the system of the same company operating in the three prairie provinces, so that, on the one hand, that system operating in the prairie provinces would have independent and competitive access to the eastern seaboard and the eastern commercial centres, and, on the other hand, that these commercial centres should have direct, independent and competitive access to the prairie West. That action by the Liberal Government of that day has been condemned by the Solicitor General. As a member of that Government, I have no apology to offer for the action that was taken, for the purpose of the action or for its result. It was a necessity of the case arising out of conditions as they had been created. It was essentially for the welfare of eastern and western Canada, and to bind eastern and western Canada in a common interest as they could not have been so thoroughly bound without it. It may have been that the enterprise could have been delayed for a year or two years, but, at any rate, under the conditions as they then were, that part of the project was favoured by the late Government, and to-day the rails are connected between Toronto and Winnipeg, and are within measurable distance of being connected between Montreal and Winnipeg. Had the enterprise been confined to the area between the city of Quebec and the foot of the Rocky mountains, as it was confined so far as the assistance given by the late Liberal Government is concerned, there would not have been facing this Government and this country to-day that condition which has been characterized here as

a railroad, as a financial, and, as it may develop, possibly a political crisis.

Mr. MEIGHEN: No danger of that.

Mr. OLIVER: While we give this company all credit for enterprise it is possible for this or any other company to be enterprising beyond the limits of good business, and it is perfectly clear to-day that it is owing to the fact that this company undertook to establish its connection from the prairies to the Pacific ocean before it had established and built up a profitable connection between the prairies and the eastern seaboard that the difficulties of this company and of this Government have arisen and for that condition this Government must take its full share of responsibility. When Mackenzie and Mann or the Canadian Northern Railway came to the late Government and said: We want to have a transcontinental line, we want to build through British Columbia, we have the guarantee of the British Columbia Government, and we want assistance from you to enable us to complete our line through British Columbia to the Pacific coast, they were specifically and definitely refused that assistance, and until the present Government came into power their expenditures upon that part of the project were of a minor character. But as soon as this Government came into power, the first session of Parliament saw a demand by the Canadian Northern Railway for $6,000,000 to be used in building from the Yellowhead Pass to Vancouver, and it was given to them without a question, without a condition of any kind. It was this Government that committed the people of Canada to the building of that part of the transcontinental line prematurely and because of that commitment, for which this Government must take the responsibility, the Canadian Northern railway and the Government and the country find themselves in difficulties to-day. Up to the present time there has been expended, according to the return, a matter of some thirty odd million dollars upon that section of the road. It still calls for an expenditure of $23,000,000 to complete, a matter of approximately $60,000,000 required for the British Columbia section of this enterprise. All that the company requires to borrow, so it says, is $45,000,000. If it had not undertaken to carry that load of the extension through British Columbia before the time was ripe, this difficulty would not have arisen. For this difficulty the Government must take the full responsibility and cannot lay any portion of it upon the late Government.

10 p.m.

I do not wish to weary the House by traversing the terms of the resolutions, as they have already been dealt with so fully, but I do say that when a serious financial situation came up for consideration, when the credit of the country and its welfare were seriously concerned, when the matter had to come before Parliament, it was a most unfortunate thing that there should have been sent broadcast throughout the country, upon the stated authority of this Government, an absolute misrepresentation of the facts in regard to the resolutions to be submitted to the House. It is most unfortunate that this should have taken place. The night the resolutions were brought down there was put upon the wires—it must be presumed with the authority of the Government—a series of statements in regard to these resolutions that are not borne out by the facts. There was a statement that $15,000,000 worth of the stock of the Canadian Northern was to be placed in trust to become the property of the Government in order to give them control of the stock of the company in case of default. There is no such provision in the resolutions.

Mr. MEIGHEN: That was in the Liberal press.

Mr. OLIVER: The Conservative press. That statement was made in an editorial of the Ottawa Journal this week.

Mr. MEIGHEN: You put too much stock in the Liberal press.

Mr. OLIVER: I do not wish to get entangled in an argument with my hon. friend, but that is a childish suggestion. This statement went on the Associated Press wires, and it went out, I take it, on the authority of the Solicitor General.

Mr. MEIGHEN: I think I can be excused for interrupting now. It did not go out with my authority, either directly or indirectly. I never heard of it until I read it in the newspapers, nor do I think it went out on the authority of any member of the Government.

Mr. BORDEN: I desire to say that so far as I am aware no such statement was put out on behalf of the Government, or by any member of the Government.

Mr. OLIVER: It is a fact that it went out. My hon. friends have seen it, and up

to this moment they have never seen fit to contradict the statement and to put the public right in regard to the facts.

Mr. FOWLER: The resolution contradicts it.

Mr. OLIVER: The public have not had the benefit of seeing the resolutions in the press. It is a most unfortunate thing, I repeat, that this rank misrepresentation should have been sent out in regard to this very important matter. I make this allusion for the purpose of bringing the point home, that when our friends opposite find they are criticised in regard to the subject matter of these resolutions for not having acted, apparently, in good faith they must blame themselves, or their friends, because they have already prejudiced the court of public opinion against them.

The particular feature that I wish to bring to the attention of the House, however, in connection with these resolutions is following up certain questions that I placed before the Prime Minister some days ago. I had hoped that he would make some allusion to those questions in his address, but he did not do so.

Mr. BORDEN: I may say that I was not quite clear as to the exact meaning of at least one of the questions, and it was not through any lack of courtesy that I did not allude to them yesterday, but merely with the view that I could perhaps give my hon. friend more satisfactory answers when we are in committee than I could in the course of my address.

Mr. OLIVER: I am not finding any fault at all; I am merely stating the facts.

Mr. BORDEN: I propose to give that information when we are in committee.

Mr. OLIVER: I desired to have the information as a basis for the views I had to place place before the House in regard to the resolutions. However, this is the aspect of the question to which I wish to draw special attention, and which, except for a side remark by the Solicitor General, has not been dealt with in any way in the discussion up to date. I have already said that the provinces of Alberta and Saskatchewan, and other provinces, have joined with the Dominion Government in carrying forward the Canadian Northern railway enterprise by guaranteeing the bonds of branch lines. This is a matter of intense importance to the people of those provinces and to their governments. I need not spend time in explaining the situation. We have there a vast area of country into which population rushed at a most unprecedented rate. Those settlers scattered all over the great provinces, were in absolute need of railroad communication. Although the responsibility for providing that railroad communication properly rested upon the Dominion Government, the Dominion Government felt that it was doing all that it was warranted to do in providing the main lines of the Canadian Northern and the Grand Trunk Pacific, and the provincial governments therefore either had to take measures to provide further railroad communication, or settlement in those provinces would have come to a standstill or retrogressed. For good and sufficient reasons, those provinces have guaranteed the bonds of branch lines of the Canadian Northern to the extent of many millions of dollars, and of many hundreds of miles of railway. I am interested in knowing on behalf of those provinces what part the interests, there existing, are to have in the project under the impetus given to it by the proposed guarantee. In the province of Alberta some 1,400 miles of line have been guaranteed. The guarantees amount to about $22,000,000. Some 500 miles have been constructed, some 200 miles are under construction and some 400 or 500 miles still remain guaranteed but to be constructed. I am a member of the Parliament of Canada and I am called upon to vote to give the Canadian Northern Railway Company a guarantee of $45,000,000. It is, of course, interesting to me what the security is going to be, what the terms are going to be, but it is very much more interesting to me to know how far, and to what extent, the completion of the branch line enterprise, undertaken in the provinces of Alberta and Saskatchewan, is going to be promoted by the vote I give. If I am to vote $45,000,000 to the Canadian Northern Railway Company and if the people I represent are to be left without the railway communication that they have been expecting to get from the Canadian Northern Railway Company, I will not be here in the next Parliament; that can be taken for granted. I want to know very definitely, for my own information, but still more in the interests of these provincial governments, how far this proposed aid is going to promote the railway enterprises in these provinces which these provinces have guaranteed and whose completion is an absolute necessity for the further development of these provinces and for the welfare of the

people already occupying the land. Men who are from the West know perfectly well that when a line has been laid out, a guarantee given and a part of the line constructed, people have occupied the country for the whole length of the proposed line in the full confidence and expectation that the line would be completed. Work on a number of these lines has been at a standstill during the last two summers. The people have been told: the company is hard up, they cannot raise the money, you cannot get the line. But if the company is going to get $45,000,000 at the hands of this Government, the people will want to know why these lines are not completed; and that is what I want to know from the Government.

An hon. MEMBER: They will not build branch lines with that.

Mr. OLIVER: Then, if they do not, I certainly would say that they cannot have my vote for the loan.

Mr. HANNA: Your view is very sectional.

Mr. OLIVER: Well, I will have to stand the criticism. I was elected to represent the people in the part of the country from which I come and I am bound to represent them in this House. I was under the impression that that was what Parliament was for. However, I will have to accept the criticism.

There is another question I want to discuss with the Government in this connection. I notice that the resolutions make provision that a very considerable amount of money that is owing by the Canadian Northern Railway Company is not to be paid out of this $45,000,000. I have listened to the discussion and I must say that I view the matter from a different angle from that from which it is viewed by some hon. gentlemen. I do not know why this Parliament is voting money unless it is to see that the money that is owing by the company is paid. It seems to me that this is the very first purpose to which this money ought to be devoted. I am at a loss to understand the reason behind the arrangement that especially stipulates that some $15,000,000 or $20,000,000 which is said to be owing to-day by this company is not to be provided for out of this money that is being voted by Parliament. If bills are owing in that part of the country from which I come, certainly the creditors will want to know why they do not get paid if Parliament has voted the money. I cannot understand the reasoning which caused the agreement to be so drawn as to provide that the money to be voted is not to be used to pay accounts that are already due.

Mr. BLAIN: Does my hon. friend think they will not be paid?

Mr. OLIVER: I do not know whether they will be paid or not.

Mr. MACDONALD: They are not to be paid out of the $45,000,000.

Mr. OLIVER: If they are not to be paid out of the money the hon. member (Mr. Blain) and myself are voting, if we have voted the money on the understanding that it will not be used for the payment of these debts, and if, perchance, they are not paid, I want to know what we will say to those to whom that money is owing.

Mr. BLAIN: What would likely happen if the Parliament and Government of Canada refused to help them?

Mr. OLIVER: That is not the question that is before the House. That is a matter that we would be quite willing to take up and consider in other circumstances, but we are dealing with a proposal to ask Parliament to guarantee $45,000,000 in aid of the Canadian Northern Railway Company. I cannot understand how, if the Canadian Northern Railway Company need that money to pay their debts, it should not be used for the purpose of paying their debts. If they are insolvent, if they cannot pay, are these people to be left without their money? If they are not insolvent why are they owing that money to-day?

I want to know to what purpose this money is going to be devoted. Is it going to be used to pay the debts of the company, and is it to be used to complete the project now undertaken on the responsibility of the provincial Governments of the prairie provinces? In my constituency there is a settlement in the grand prairie of the Peace river. It is 200 miles from the nearest railway point. Some eight or ten townships there have been settled. The Canadian Northern have a line projected for a distance of 300 miles from Edmonton. They have a guarantee from the provincial Government of 100 miles. They have built some forty miles, and have laid steel. They have done grading on the balance, I believe, of the 100 miles. I certainly want to know whether that 100 miles is to be completed or not.

There is another line running easterly from Edmonton, a hundred miles guaranteed, only some twelve or fifteen miles graded. The country is all thickly settled, needing railway communication very badly. I want to know if that piece of railroad is going to be completed. The same question arises all along the line.

Provision is made for what is to be done if the road defaults. I want to know what is to be done if the road defaults in regard to these provincial guaranteed lines. It is true that the provinces hold a first security upon these lines; and it is quite competent for the Government to say: We have no responsibility in regard to these lines; you have the mortgage, and you can take them. That is what the Solicitor General told us last night was the attitude of the Government. In dealing with the question of amalgamation of the companies, he said:

> What are the objections and obstacles that at the present time exist? In the first place, under the present system, if any individual outlying line proves an incumbrance rather than a benefit to the system, we are in a position to let it go; we are in a position to say: We will not have this barnacle on the Canadian Northern system, a liability rather than an asset.

That is a very good statement to make in the Dominion Parliament dealing with this question as a purely Dominion issue; but is not by any means a very satisfactory position for a Dominion member to take in dealing with the question as it exists, and is a vital question in the two greater prairie provinces. If the company defaults, we want to know the position that will be taken by the Dominion Government in regard to the carrying forward of these enterprises and in regard to dealing with the securities held by the provinces upon them. I may not be able to explain the situation very well; but the province has given a guarantee on a piece of road, the building of which is a necessity for the well-being of Canada, and should have been constructed on the responsibility of the Dominion of Canada. It was not so constructed on the responsibility of the Dominion, and the province had to take the responsibility on behalf of the Dominion. The province has taken the responsibility, and the road is constructed in whole or in part. The province is responsible for the interest upon that piece of line. This Government takes the scheme as a whole; sees fit to consider this particular section as a barnacle; cuts it out of the main system; thereby renders it unable to earn interest upon the monies guaranteed, and the province has to pay the guaranteed interest. I do not know how far the position taken by the Solicitor General is to be carried through in dealing with these companies; but this is a condition that demands attention and consideration; and the Government will do well to state what its intentions are and to put those intentions in black and white in the Bill in regard to these matters, or they certainly cannot expect the support of the members representing those provinces. In the questions that I asked the Prime Minister, I drew attention to section 10 of the resolution. I am not sufficiently learned in the law to discuss the effect of the provisions of section 10, but I will read the section and will repeat my question. Section 10 says:

> That in so far as the Canadian Northern and the constituent and subsidiary companies may be subject to the legislative jurisdiction of the Parliament of Canada, every such company shall have full power to do all and every of the things authorized by the Act based upon these resolutions, or provided for in the agreement, and shall have full power, and be bound to make, do and execute from time to time, all such acts, deeds, matters and things as may be necessary or expedient for carrying into effect the full intent and meaning of the Act based upon these resolutions and of the agreement, and the Board of Railway Commissioners for Canada is hereby empowered to do what may be necessary on its part in the carrying out of the provisions of said agreement.

I have asked the Prime Minister how far this section may, in case of default, affect the relationship between the provincial Government and these branch lines. I expect, of course, when the matter comes up for consideration in committee that I will get full information in regard to the matter.

I have taken considerable time in dealing with this matter, because of its importance in connection with the whole scheme. I must say that I was startled when I saw in this remarkable newspaper announcement the statement that the Government was taking security on 5,000 miles of lines in the prairie provinces, which was the most valuable part of the whole property of the Canadian Northern. I was startled when I read that, and when I remembered that the provincial Governments held a first mortgage on approximately 4,000 of the 5,000 miles. I wondered what had happened to the provincial Government's right in the matter. In looking into the resolution, I find that the resolution does not undertake to destroy the securities held by the provincial Govern-

ments; but in view of that remarkable announcement in the newspapers, I want very full information in regard to the meaning of section 10. I want to know if the Government has any idea of putting itself in the position, in regard to the rights of the provinces in respect to branch lines, such as was suggested in that newspaper announcement. The province of Alberta, as I have said, has guaranteed some $22,000,000 on branch lines of the Canadian Northern railway, and the province of Saskatchewan, about $18,000,000 on similar enterprises. It is the country served by these branch lines that is going to provide the traffic for the whole of this great system. It seems remarkable if those whose enterprise has created these lines are to be ignored in the legislation which is being brought forward for the benefit of the Canadian Northern railway. I have no quarrel with the Canadian Northern railway, but I do not wish to see the rights of the people and the provinces of the West subordinated to the interests of that company. I do not want to see the millions of dollars voted by the people of Canada taken to complete the line in British Columbia while the lines in the prairie provinces are left uncompleted, and the people dependent on these lines left without railway communication. This Government voted in 1911 $6,000,000, every dollar of it for expenditure in British Columbia. In the session of 1912, they voted $15,000,000, every dollar of it for expenditure in Ontario. If this $45,000,000 is to go merely to the completion of the main line in British Columbia and Ontario, ignoring the branch lines in the prairie provinces, then I say it is not a project that ought to have the support of this House. As the Solicitor General has said, and as everybody has admitted, it is the prairie section of the road which is the reason for its existence, and which is going to furnish the traffic for it. And is that portion to be left without completion and without extension because the provincial governments have been enterprising enough to pledge their credit to carry the enterprise as far as it has been carried, while the money of the people of the country at large is taken to complete these other parts of the road that are not by any means of the same present necessity? I say this is something about which it is desirable that we should know the last word before we vote in favour of this proposition.

I was struck last night with the comparisons made by the Solicitor General between the action taken by the late Government in guaranteeing the bonds of the Canadian Northern railway and the action proposed to be taken by the present Government under the resolutions before us. The difference between the two conditions was this—that in the case of the late Government we were guaranteeing the loans of a going concern and solvent company, but the condition now is that the present Government is called upon to provide aid for a concern that cannot, on the evidence placed before us, be called either a going concern or solvent company. There is necessity for conditions being imposed to-day that were not necessary when the late Government gave this guarantee. I was astonished to hear the Solicitor General try to argue—and yet I should not have been astonished because he has great ability in arguing—

Mr. GERMAN: Agility.

Mr. OLIVER: Yes, and agility—he was arguing with great cleverness that a third or fourth mortgage on what he himself has given to be understood was a presently bankrupt institution, was a more valid security than a first mortgage on the same identical project. He set himself a heavy task, and I must say he acquitted himself with credit; yet I do not think he quite proved his point.

This resolution is difficult to deal with. It has been the occasion of a great deal of eloquence both to-day and yesterday, and I do not think that the subject is exhausted by any means. I have given the matter some study, and my conclusion is that this resolution is a purposely involved attempt to establish a controlling junior partnership with an insolvent debtor. It is not remarkable if such an attempt should lead to difficulty in demonstrating absolutely what is meant by what is said.

I object to this resolution because it is improvident, and it is improvident because it is inefficient. What is the purpose of this aid that we are giving? It is to preserve the credit of the country, to secure the completion of the system and to insure the permanence of the Canadian Northern as a competitive railway system. Are any of these purposes served under the terms of the resolution? The credit of the country is not preserved—provision is made that the money that we provide shall not be used to pay the company's debts; their debts are still to be left unpaid. Will this money that is to be voted complete the system? The claim was made last year that the $15,000,000 of cash that we then voted

would secure the completion of the system. But it did not, and there is no more reason to-day, on the showing that has been placed before the House, to believe that the $45,000,000 will secure the completion of the system than there was to believe that the $15,000,000 of last year would secure its completion. With $58,000,000 to raise on securities not yet earned, it is a grave question if the money can be secured to complete the system. But our hon. friends say that they have security on everything that the company has, and that they have made provision for taking over the company's belongings. Is it for the sake of the security that they are advancing this money? I fancy that if it were merely for the security, they could advance the money for other purposes and get much better security. They are advancing the money to prevent the system from going into bankruptcy and to secure its permanence, and when they have advanced the money they will have not one dollar's worth more of valid security than they have to-day, before they advance the money. That, I think, has been demonstrated to-day. All the security that they will have when they have put this marvellously and wonderfully-worded resolution into effect; all the security they will have of any value, they have to-day. This resolution is merely a form of words to cover up the fact that the Government are advancing $45,000,000 to the Canadian Northern, without security, to enable the company to avoid bankruptcy. A year from now, when the money has been spent and the $58,000,000 that is expected to be raised has not been raised, and the company is again unable to pay its debts, every reason that my hon. friend has given for not foreclosing the mortgage that we have on the Canadian Northern to-day will exist then, reinforced by the amount of money that we have voted in the meantime. To-day we do not dare to foreclose, because the company owes too much money; yet we give them $45,000,000 more, and we are going to foreclose if they are not then in a position to carry on the enterprise. Surely if we are not going to foreclose now, when we have put $45,000,000 more into the enterprise, we are not going to foreclose then.

Mr. MORPHY: The hon. gentleman argues as if he were of the opinion that we should foreclose now. Is that the state of the hon. gentleman's mind?

[Mr. Oliver.]

Mr. OLIVER: I am not giving my opinion at the present time; I will deal with that later. I am arguing on this point, and I would like the hon. gentleman's careful attention to it. It is this: we to-day hold a first mortgage on the Canadian Northern enterprise in its most important parts. We can foreclose that mortgage to-day if we see fit, but we do not want to do it. Why? Because of the reasons that have been given to the House. We are going to give the company $45,000,000 and we are not going to be in any better position when we have given that $45,000,000 than we are now. We cannot foreclose any quicker and if we will not foreclose now, are we going to foreclose then? I say, certainly not. The whole of this resolution is for the purpose of exchanging a preferred creditorship for a junior partnership in a practically defaulting enterprise. I am not saying that that is not necessary in the interests of the country; I am not arguing either one way or the other. What I am arguing is that this Government has absolutely deceived or attempted to deceive the public in regard to their position towards this company and with regard to the result of the action that is to be taken. They have told Parliament and they have told the country that they are getting security when, as they have been informed this afternoon, they are actually increasing their liability without increasing their security.

Mr. MEIGHEN: Do you think that as well?

Mr. OLIVER: I do not merely think it; I know it. Does my hon. friend not know it?

Mr. MEIGHEN: Indeed I do not.

Mr. OLIVER: I am not of the legal profession, but I think that that is elementary and that even I can demonstrate it. There is to-day on the line from Grand View to Edmonton a first mortgage held by this Government for $13,000 a mile. Superimposed upon that are certain bonds issued by the Canadian Northern—I do not know how much a mile, but I venture to say that they covered everything they could get. Upon that my hon. friend is going to superimpose another mortgage as security for this $45,000,000. Supposing the company defaults and he forecloses; how is he going to collect his equity of redemption in the mortgage that he is putting on now if he does not assume responsibility for the second mortgage that the Canadian Northern have given on that road?

Mr. MEIGHEN: That is right.

Mr. OLIVER: Very well. If he does not lend the $45,000,000 to-day and does not put on his third mortgage and the company defaults, he has the first mortgage and he can collect on that first mortgage without paying off the second mortgage. Is that not so? My hon. friend admits that instead of getting security on that section of the line he is incurring a liability up to the amount of the mortgage given by the Canadian Northern. Well, my hon. friend will not admit anything?

Mr. MEIGHEN: I misunderstood what the hon. gentleman said first. There is no doubt at all that by the present resolutions we incur greater liability. What I thought the hon. gentleman said was that by taking the other companies in we had not added to our security and had added to our liability. I knew that he had more sense than to believe that.

Mr. OLIVER: I was not dealing with that. Now that my hon. friend has mentioned the taking in of the other companies, I may say that I heard several speakers here to-day and yesterday declare that the stock of these subsidiary companies has been reduced; that the water has been squeezed out of these companies. That is the way, at any rate, the public were given to understand the matter; that this Government had driven a hard bargain with Mackenzie and Mann; that they had put them right up against the wall and had taken these stocks from them, squeezed the water out of them and reduced everything down to a basis of $100,000,000. Now, is there any foundation for that statement? Absolutely none whatever. What is the idea of watering stock? It is that there shall be shares of stock which shall draw dividends, if dividends there be, and if you reduce the number of the shares then there will be a lesser number to draw dividends on. Take the Canadian Northern Ontario Railway with its $10,000,000 of stock. Suppose the Canadian Northern Ontario railway earns dividends a year from now or ten years from now, will it be paying dividends on anything less than $10,000,000 of stock? Not one cent less. It is true that the Canadian Northern railway will get the benefit of the dividends, but the dividends will be paid on $10,000,000 of the Canadian Northern Ontario Railway stock, and so right along the line. I would be sorry to accuse our hon. friends of intentionally misleading; they may have believed when they made the statement that they were actually squeezing water out of this stock. They were not doing anything of the kind, they were putting the stock up as security, but they were not squeezing the water out of it; and as the hon. member for Calgary to-day pointed out, they were giving the Canadian Northern stock in addition to it.

They have also given out a statement that the Canadian Northern Railway stock has been reduced to $100,000,000. Now, the Canadian Northern Railway stock a year ago was only $70,000,000. The Canadian Northern Railway Company afterwards increased it to $77,000,000, so that when this Parliament met the common stock of the Canadian Northern Railway Company was $77,000,000. This resolution states that it is to be increased to $100,000,000 and that difference is to be handed over to Messrs. Mackenzie and Mann; and yet they have sent the statement throughout all Canada that they had decreased the stock of the Canadian Northern railway. It is not $100,000,000 it is $125,000,000. There was $77,000,000 of common stock at the beginning of this session and $25,000,000 of debenture stock which this resolution provides can be converted into common stock, so while they have been spreading word all over Canada that this company's stock had been reduced to $100,000,000, as a matter of fact it has been increased from $102,000,000 to $125,000,000 and Messrs. Mackenzie and Mann have been made a present of $23,000,000 absolutely without consideration.

Mr. W. T. WHITE: How much stock of the Canadian Northern railway do Mackenzie and Mann own to-day and how much will they own after this resolution is adopted?

Mr. OLIVER: This legislation says they will own $100,000,000.

Mr. WHITE: No, they will own $60,000,000. Did not Mackenzie and Mann and Company own $70,000,000 before and will they not own $60,000,000 after? How much of the stock of the subsidiary companies did they own before and how much do they own now.

Mr. GERMAN: You have not told us that yet.

Mr. WHITE: I am asking my hon. friend.

Mr. OLIVER: Whatever stock of the subsidiary companies they owned before they

have turned into the Canadian Northern railway.

Mr. WHITE: Very good, who will own that?

Mr. OLIVER: After the resolution goes through the Government of Canada will own $40,000,000 and Mackenzie and Mann, or those to whom they sold their debenture stock, will own $85,000,000.

Mr. WHITE: $60,000,000.

Mr. OLIVER: $85,000,000.

Mr. GERMAN: Who will own the $25,000,000 of redeemable debenture stock?

Mr. MEIGHEN: The bond-holders have the debenture stock.

Mr. OLIVER: And who got the money for that?

Mr. WHITE: The Canadian Northern railway.

Mr. OLIVER: Yes. We do not need to dispute about the facts. The point is that this Government has sent out word to the people of the country that they had reduced the stock of the Canadian Northern railway to $100,000,000, when there is no foundation in fact for that statement.

11 p.m.

Mr. WHITE: Do you not believe it.

Mr. OLIVER: It was an absolute misrepresentation to the people of Canada.

Mr. WHITE: Nothing of the kind.

Mr. OLIVER: They intended to make them believe that a bargain was being made in their behalf when, as a matter of fact, the bargain was against them and not in their favour. To-day the country is being given to understand that the Government has been given $40,000,000 of the Canadian Northern Railway stock formerly held by Messrs. Mackenzie and Mann. This House knows, after the calculations that have been made to-day that Mackenzie and Mann owned last year $70,000,000 of Canadian Northern Railway stock.

Mr. WHITE: And what else?

Mr. OLIVER: And to-day they own $60,000,000 of Canadian Northern Railway stock and the Government have $40,000,000. Now, there is frenzied finance for you. The Government gets $40,000,000 and Mackenzie and Mann only lose $10,000,000.

Mr. WHITE: What about the subsidiary companies whose stock they own?

[Mr. Oliver.]

Mr. MACDONALD: They were not worth anything. Mr. Bennett showed that you are giving them something for nothing.

Sir WILFRID LAURIER: The Solicitor General told us yesterday that there was no such thing now, that it was all wiped out.

Mr. MEIGHEN: I did not say that.

Sir WILFRID LAURIER: Oh, yes, you did again and again.

Mr. SPEAKER: The hon. member for Edmonton has the floor.

Mr. OLIVER: I maintain that this proposal should either be a loan on terms that, failing substantial security, would ensure proper expenditure of the money in payment of indebtedness and completion of the enterprise, or a definite, controlling interest in the company.

Mr. McKAY: The hon. member referred to the question of what was to become of the loans and indebtedness of the company. Has he read clauses 4 and 5 of the resolution?

Mr. OLIVER: Yes.

Mr. McKAY: Does that not give some explanation as to how these debts are to be paid?

Mr. OLIVER: I do not think this explanation would satisfy me if I was a creditor. It is really one of the most remarkable provisions ever put on any statute book. If my hon. friend were a creditor he would not think that the provisions of that section protected him.

Mr. GERMAN: How would you prevent a man from suing a company if he had a claim against them?

Mr. OLIVER: And how is it going to be guaranteed that these claims, which are to be paid only out of certain securities, will be paid if those securities do not realize the required amount?

Mr. MURPHY: By the promise that they will get more money next year.

Mr. OLIVER: That is the only way. These securities are existent to-day, and if the amounts are not paid out of proceeds of the securities, it means that the securities will not bring a sufficient amount, and they will not bring any more to-morrow than they will to-day.

Mr. McKAY: They still look to the company.

Mr. OLIVER: Of course, and the company has no money.

Mr. McKAY: As I take it, these people advance money on certain securities, and the recourse to the company is postponed till the system is completed. That is the meaning of the section.

Mr. OLIVER: That means that it does not mean anything at all, effectively. I must admit that I do not understand it myself, nor do I think that the man who framed it understands it.

Mr. MACDONALD: Lash knows what it means.

Mr. OLIVER: If he drew it up, I guess he understands it. I certainly do not see in this section any assurance of the maintenance of the credit, either of the company, or the country by the passing of a resolution containing such a very remarkable provision. I think quite the contrary. I see in the section, and in the resolution containing that section, a disregard of the credit of the country, and of the company, and if I were a creditor of the company I would certainly think that my interests were not being safe-guarded by such a provision embodied in a statute. Section 5 reads:

> That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said constituent and subsidiary companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount to be determined by the minister and that meanwhile all such current indebtedness other than such as may be the subject of bona fide dispute, will be either paid or arranged in such a manner that no proceedings for the enforcement of payment thereof will be taken or pressed.

Mr. ROSS: Who gives the covenant?

Mr. OLIVER: The contractors give undertakings that they will reduce the current indebtedness to an amount to be fixed by the minister. Now Mackenzie and Mann, it is said, are not able to pay their debts to-day; that is why they are here, and yet we are taking a covenant from them that they will pay their debts if we give them this money.

Mr. MACDONALD: But we have no guarantee.

Mr. OLIVER: Why in the world should we take a covenant from them that they will pay the money we give them over to somebody else, instead of providing that there shall be an accounting, and that the money shall be paid to the people to whom it is owing.

Mr. GERMAN: Allow me to correct my hon. friend. It is not asserted that Mackenzie and Mann cannot pay their debts, but that the Canadian Northern cannot. Mackenzie and Mann have got all the money, and the Canadian Northern railway has none.

Mr. McKAY: That is just the point. The Canadian Northern railway has not the money. Mackenzie and Mann are paying the debts.

Mr. OLIVER: I am delighted to hear that. If my hon. friend will induce the Government to insert the words Messrs. Mackenzie and Mann—

Mr. McKAY: Mackenzie, Mann and Company, Limited.

Mr. OLIVER: If it is provided that Messrs. Mackenzie and Mann are to be responsible themselves, we should know who we are looking to. But as the section is drawn up, no man can tell its meaning. No responsibility is placed on any one.

Mr. MORPHY: The interpretation clause makes it plain.

Mr. OLIVER: I maintain that if this resolution has a purpose at all, it is to see that the debts of the company are paid, and it is not making that provision; it is to see that the enterprises of the company are completed, and it is not making that provision; it is to see that the property of the company, in case of default, becomes the property of the people of Canada, and it is not making that provision; in none of these particulars does it meet the requirements of the case. I object to these resolutions because they establish a junior partnership with an insolvent debtor. They, in effect, compel further aid to prevent future bankruptcy. While professing to take security they establish a largely increased liability. Although they lay an enormous additional burden on the credit of the country they do not provide for outstanding liabilities. They do not secure completion of the enterprise; they do not protect provincial interests; they do not provide for minimum freight rates; and in case of foreclosure, they do not provide for Government ownership of the property.

On motion of Mr. Bristol, the debate was ajourned.

On motion of Mr. White, the House adjourned at 11.12 p.m.

Friday, May 15, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

PRIVATE BILL.

FIRST READING.

Bill No. 195, to incorporate the Canadian General Council of the Boy Scouts Association.—Mr. Currie.

TORONTO TERMINALS.

Hon. J. D. REID (acting Minister of Railways) moved for leave to introduce Bill No. 196, respecting the Canadian Pacific Railway Company, the Grand Trunk Railway Company of Canada, and the Toronto Harbour Commissioners. He said:

I have a memorandum here prepared by the deputy minister explaining this Bill, and perhaps the reading of that will be the briefest explanation I could give to the House of this measure:

In the Toronto Viaduct Act of 1913, chapter 11, 3-4 George V., the description of the property which may be expropriated is given as follows:

All or any lands and lands covered by water in the city of Toronto lying within the district south of the existing right of way of the Canadian Pacific Railway Company from Yonge street east to the prolongation southerly of Berkeley street and south of the existing right of way of the Grand Trunk Railway Company of Canada from the prolongation southerly of Berkeley street east to Cherry street and extending out to the present Windmill line, and also a strip of land not exceeding one hundred and fifty feet in width, immediately south of the Windmill line and extending from the prolongation of Parliament street in the west to Cherry street in the east.

On February 25, 1914, the general solicitor of the Grand Trunk Railway system wrote as follows:

We have just discovered that there is a mistake in the description of the lands referred to in the Toronto Viaduct Act, that is, chapter 11 of the Statutes of 1913. The mistake is caused by the draughtsman thinking that the Windmill line terminates at Cherry street instead of Parliament street. The result of that the lands described have no southerly boundary between Parliament and Cherry streets. In co-operation, therefore, with the Canadian Pacific railway, I have re-drafted the Act with a correct description and we have thought it more convenient to have a new Act instead of amending the Act of last year. I inclose copy of draft Bill and have omitted from it the clause providing for the Act being brought into force by proclamation.

[Mr. Bristol.]

The description of the property as described by the proposed Bill is as follows:

All or any lands and lands covered by water in the city of Toronto lying within the areas bounded on the west by the easterly limit of Yonge street, on the north by the southerly limit of the existing right of way of the Canadian Pacific Railway Company from Yonge street eastward to the easterly limit of Berkeley street, and by the southerly limit of the existing right of way of the Grand Trunk Railway Company from the aforesaid limit of Berkeley street eastward to the southerly prolongation of the limit between lots 8 and 9 on the south side of Mill street, formerly Front street, according to a plan of the Toronto hospital property filed number 108 in the registry office for the said city, on the east by the said southerly prolongation of the limit between the said lots 8 and 9, and on the south by a line drawn along the southerly limits of water lots granted by the Crown to Gooderham and Worts and to William Gooderham, and by the new or present Windmill line, such boundary limits of the lands of the Crown. Also the whole or any part of the northerly one hundred and fifty feet of the lands and lands covered by water, granted to the National Iron Works, Limited, by the said city of Toronto, by deed dated the 21st day of August, 1909.

The draft Bill has been approved by the Canadian Pacific Railway Company, the Grand Trunk Railway Company, the Toronto Harbour Commission, the corporation of the city of Toronto, and the Board of Railway Commissioners for Canada.

Motion agreed to, and Bill read the first time.

SATURDAY SITTINGS.

Right Hon. R. L. BORDEN moved:

That this House shall meet on Saturday the 16th instant and on all Saturdays until the end of the session, the hours of sitting and the order of precedence for business shall be the same as on Fridays.

Sir WILFRID LAURIER: The motion that the House should sit on Saturday as a rule is not brought down until all the Government programme has been laid upon the table. The programme is still incomplete, in this at all events, that the Supplementary Estimates have not yet been laid before the House. If that were all, I would not object to sitting on Saturday, because I am as anxious as anybody else to facilitate the ending of the work we have on hand. I am not aware, however, that that is all; perhaps my right hon. friend has other things to bring down. But, even aside from that, there is objection to sitting on Saturday.

As the season is far advanced, I do not object to the taking of Saturday as a sitting day; but I would suggest to my hon. friend that at all events we should not sit tomorrow. The notice that we have had has been too short; only yesterday we heard

for the first time that it was the intention of the Government to sit to-morrow and the following Saturdays. I interpose this objection to our being called upon to sit to-morrow that many members of the House, myself included, have made other engagements for that day. If we have, however, notice that we shall sit the next and following Saturdays, hon. gentlemen will be able to make arrangements accordingly. I hope therefore that my right hon. friend will modify his motion in order that it may take effect not from to-morrow but from the following Saturday.

Mr. BORDEN: I appreciate what my right hon. friend has said with regard to laying the programme of the Government before the House, but I am not aware of anything else at the moment which is to be brought down except the Supplementary Estimates. So far as sitting on Saturday is concerned, I hope that my right hon. friend will not press his objection. I shall be very glad to arrange that nothing shall be taken up on Saturday except matters of a non-controversial character; indeed, nothing to which my right hon. friend has any objection. I think we shall make some progress in that way. As to how long we shall sit on Saturday, I shall be prepared to meet the views of hon. gentlemen on the other side of the House. I think we can get some work done without any detriment to the public interest in the absence of those gentlemen who have already made other arrangements. If that would meet the views of my right hon. friend, I would be glad if the motion would pass at it is.

Sir WILFRID LAURIER: In view of this explanation, I shall not interpose my objection. I understand from my right hon. friend that he does not contemplate bringing up during the remainder of the session anything more than the Estimates. As to the business of the House to-morrow, I am quite satisfied that we should take up non-contentious matters and expedite business as much as possible.

Mr. BORDEN: If my right hon. friend will give me a memorandum of what he thinks may conveniently be taken up to-morrow, I shall be very glad to meet his views.

Motion agreed to.

THE FARMERS BANK.

On the Orders of the Day being called:

Mr. LEMIEUX: I have received several letters this morning inquiring about the position of the Government with regard to the depositors of the banks I have already named—La Banque du Peuple, the Ville Marie bank and La Banque St. Jean. I would urge upon my hon. friend to get a list of the depositors of these banks before we proceed with the Farmers Bank Bill.

Hon. W. T. WHITE: The request that my hon. friend prefers this morning is similar to that which he made within the last day or so. I find that we have not in the department any list of the depositors of the banks in question, and I am not sure that we shall be able to obtain one. My deputy has, however, communicated with the liquidator of one or more of these banks with a view to seeing whether or not such a list can be obtained. I shall not promise it to my hon. friend, because I am not certain that we can obtain it. At all events, the matter is having consideration.

DEATH OF HON. F. D. MONK.

On the Orders of the Day being called:

Right Hon. R. L. BORDEN (Prime Minister): Before the Orders of the Day are called, it is my painful duty to announce to the members of the House the death of the Hon. Frederick Debartzch Monk, who for many years was a member of this House and who was also a member of the present Administration. I met Mr. Monk for the first time in 1896, when we came here as members of the Parliament elected in that year, and from that time up to the present I have, as hon. members know, been associated very closely with him in public affairs and have also during that time had the very great privilege of enjoying his personal friendship. I am happy to say that although sometimes there was a marked difference of opinion between us with regard to public questions and although that difference did result in his retirement from the Government more than a year ago, these differences never interfered in the slightest degree with the full friendship which always existed between us. Mr. Monk was a man of very distinguished qualities. He was an eminent constitutional lawyer, a great parliamentarian, a man of high ability and a commanding figure in Parliament and in public affairs. His character and his temperament in some respects were not suited to public life, for the reason that he was a man of singularly sensitive disposition, much more sensitive than, perhaps, those who did not know him inti-

mately may have realized. His course throughout his public career was marked by a high sense of duty and a desire to discharge to the utmost of his ability what he conceived to be his duty to the people of this country. His death leaves a great blank in the public life of Canada and no one mourns it more than I do. For many weeks and even months past it has been known that he was not likely to recover from the illness which confined him to his house. I am sure that, in common with all the members of this House and with all the people of this country who knew him, I can assure those of his family who survive him that they have in this loss the most profound sympathy of the Parliament of Canada and of the people of this country.

Sir WILFRID LAURIER: Mr. Speaker, the sad intelligence which has just been conveyed to the House by my right hon. friend was not altogether unexpected, because, as he has stated, for many months and even for many years past Mr. Monk had been in failing health and his recovery was not hoped for, although the end has come, perhaps, more suddenly than we had reason to suppose it would. Those of us who knew Mr. Monk—it was my privilege to know him almost from the days of his youth—are aware that the qualities that have been attributed to him by my right hon. friend he had in abundance. It is perhaps not generally known that his failing health can be traced back to the day when he lost a most charming wife, who had been to him not only a friend and companion but a most valuable advisor as well. I do not suppose that he ever fully recovered from the blow which he then suffered. Mr. Monk was well known in Quebec as belonging to a family which has been the adornment of the Bench and of the public life of our province. He was himself endowed in many ways with the talents of his distinguished father, and I agree with my right hon. friend that in temperament and ability he was more suited to the duties of the Bench than to participation in public life.

Everybody who saw Mr. Monk in this House will share my conviction that, if it had been his lot to be on the Bench, as his father was, he would have added great dignity to that position, and would have brought to the discharge of the duties devolving upon him commanding ability as a jurist and wide experience as a constitutional lawyer. Speaking on behalf of those who sit on this side of the House, and whose misfortune it was to have to differ from him upon many questions, I can say that in conveying to his family the condolence of his friends, the right hon. Prime Minister can also, in the same degree, convey the condolence of his opponents.

Mr. PELLETIER (Translation): Mr. Speaker, following on the right hon. Prime Minister and on the right hon leader of the Opposition, I trust I may be allowed to add a few words to the encomiums and tributes of praise which have fallen from their lips in memory of the one who has just departed from our midst.

Mr. Monk loomed large in the political world and in the hearts of the people of the province of Quebec. Friends and opponents alike held him in high esteem. He was a man of high standing, a man of whom the whole province of Quebec was justly proud. Even those who differed from him could not help acknowledging that he was reflecting great honour on our race.

I was his colleague in this Government, and even after he left the Cabinet, our intercourse continued to be of the most cordial nature. His death for me, as for the whole of the province of Quebec, has been a source of deep and sincere grief. The place he occupied will not be easily filled.

One of his last deeds is very characteristic of his whole career. When he found that the ailment which terminated in his demise was an impediment to the fulfilment of his parliamentary duties, such as he conceived them, and that he would no longer be in a position to carry out the mandate which the electors of Jacques Cartier had entrusted to him, he was unwilling to let events follow their course, and preferred sending in at once his resignation, such was his high sense of duty.

However, subsequent to that resignation, I for one recommended postponing for some time the issuance of the writ, in the hope that this distinguished gentleman would be in a position to take once more his place in our midst as member for Jacques Cartier. God has decided otherwise, and it only remains for us to submit to His superior will.

I join with the Prime Minister and the leader of the Opposition in offering to his family the expression of my deepest sympathy.

Mr. LEMIEUX (Translation): Mr. Speaker, I may be allowed to pay my respects to my former colleague who has just died. We owe an expression of our grief to the departed statesman, and, to his family, an assurance of our heartfelt sympathy.

Frederick DeBartzch Monk has played an important part in this Parliament, and his demise is a grievous loss not only to his native province but to Canada as a whole.

A professor at Laval University, he moulded the minds of a whole generation of professional men, and his pupils, even those who did not agree with him in politics, held him in high esteem.

We, his former colleagues, are aware to what extent his knowledge of constitutional law had made of him an incomparable parliamentarian. He was listened to in this House and elsewhere; his eloquent utterances captivated his hearers.

Our regretted colleague was of distinguished lineage. Through his mother he was connected with the old Canadian noblesse. The De Bartzch family played an eminent part at the time the seignorial regime was in force.

On his father's side, he was related to a family of distinguished jurists. His father, of English extraction, had for many years past thrown in his lot with the French-Canadians, in whose midst he lived. He was one of the striking personalities of our Court of Appeal. And through his wife, whose premature death has been the occasion of such deep grief, he was connected with the Cherrier family, whose head, Côme Seraphin Cherrier, was under the Union the friend and counsellor of Lafontaine, and later of Dorion.

Mr. Monk had inherited the attainments of the former and profited by intercourse with the latter. His death deprives us of one of our superior men.

The Government, no doubt, will be represented at his funeral. Those who opposed him because their views differed radically from his will also be there, for the grim reaper leaves in his wake no harsh feelings; only pleasant memories remain.

Hon. C. J. DOHERTY (Minister of Justice): Mr. Speaker, in the death of Mr. Monk Canada suffers no ordinary loss. We all know how he gave to the service of this country the best years of his life and we all realize to what extent he brought to that service abilities that qualified him to take the foremost place in the ranks of her public men, that place which he so easily attained and so worthily held. We all feel too, that, what is perhaps greater and more rare, he brought to that service an unselfish devotion that, I am sure, all who witnessed it admired. A man whose standards were of the very highest, and whose unfailing industry drew from the exceptional gifts with which nature had endowed him the largest measure of usefulness to his country. Canada may well mourn his loss. Born in the same year, and in the same city, we were boys together and grew up in a life-long friendship, and great as is the loss to the country it is perhaps more the sense of personal grief in the loss of an esteemed and admired and beloved friend that has made it impossible for me not to say a word expressive of sympathy in the great grief of those who were dearest to him. That is my excuse for adding a word, at least, to what has already been said.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Consideration of the proposed motion of Mr. Borden that the House go into Committee to consider certain resolutions respecting the Canadian Northern railway, resumed from Thursday, May 14.

Mr. EDMUND BRISTOL (Centre Toronto): Mr. Speaker, I desire to offer a few observations on what I regard as one of the most important matters that have come up for consideration by the Parliament of this country. I listened with a great deal of attention to the speech that was made yesterday by my hon. friend the member for Calgary (Mr. R. B. Bennett), and I do not purpose to follow him so far as the personal element in that speech is concerned. I feel it would have been of some advantage to this House if the hon. member had told us who made the report as to the condition of this railroad, which must have taken at least a couple of months to prepare and cost a considerable sum of money. It would have been interesting to know what group of men paid for this report, and furnished it to the hon. gentleman; and also interesting if, when making his anonymous attack, he had read to the House the letter that the engineer said to have been formerly in the employ of Mackenzie and Mann had given him. Anonymous attacks that come from sources not given are not, in my humble judgment, proper methods of dealing with a subject of this importance, on which we are entitled to the best possible evidence

and the fullest disclosure. I do not admit that my hon. friend from Calgary has a monopoly of the public conscience of this country, or that he alone of the members of this House is anxious and desirous to see done what is best in the interests of Canada at the present time. My hon. friend has spoken of a lobby extending over a great many years, and which he says is the most disgraceful that has ever taken place in any country. Does my hon. friend wish to imply that this Government has been lobbied in respect of this measure? Is that the charge? If so, it should be made boldly and clearly here and now. But there is not a man within the sound of my voice, or in the country, that believes that the present Government, either directly or indirectly, has been lobbied in respect of this most important matter. There is not a man in this country, in my humble judgment, that does not believe that if the Prime Minister or the Minister of Finance or any other member of the Government had been lobbied, it would have been a great deal worse in the final result for the people doing the lobbying. That is as far as we need to go into the question of parliamentary corruption. If it has not existed in this House, this House is not concerned. If it existed at an earlier stage in the hon. gentleman's career, he had the knowledge, the ability, and, apparently, the language to place the facts before the people of this country at a proper time and before a proper tribunal. I think with these observations I may dismiss that matter, and leave it to the hon. gentlemen to discuss at a place where it may properly be considered.

The Government of this country were confronted with this condition: they had a transcontinental railway in process of completion, not connected up. They found that the various provinces, with one exception, had guaranteed portions of the bonds of this line; that the Government of Sir Wilfrid Laurier had guaranteed bonds and had given subsidies to the extent of $58,000,000. Consequently, the road had the status not merely of a provincial railway, but of a transcontinental system endorsed by this Parliament and in a public fashion, so that investors abroad could regard it as a transcontinental system which was as much favoured by the people of this country as was the National Transcontinental railway, the child of my right hon. friend (Sir Wilfrid Laurier). That being the condition of affairs, I am going to deal just for a moment with the hon. member's charge of reckless guarantees, made in his three and a half hours of discursive statements, more or less vigorous and going from San Francisco to the North Pole. The western provinces must have branch lines of railway; they have either to build them themselves by Government construction or get contractors to build them by means of Government guarantees of bonds. We have one striking example of Government construction in this country, and, in my humble opinion, the people of this country are quite satisfied to allow private enterprise to construct the railways under Government guarantees, and under proper supervision; particularly, when all the railway has to sell later on is transportation, which is controlled by the people of this country through the Railway Commission. It was for the provinces themselves to determine the best way to get branch lines to the settlers. The settlers had to have branch lines, and at once if immigration was to continue, and the farms of the West were to be occupied by those who make a living growing grain. I venture to say that the system of Government guarantees for railway construction has been more beneficial as regards the Canadian West than any system so far devised by any government or person. There are two things in favour of Government guarantees. First of all, they enable the contractor to get his money for the road at a lower rate of interest than he otherwise could get, because the endorsation of the Government conveys to the investor abroad that it is a portion of a railroad system that the Government believes should be built; and it has this further benefit: the road, when constructed, has lower fixed charges, because the bonds thus guaranteed carry a lower rate of interest, and the road has consequently to earn less to pay the guaranteed bond interest, and that means less charges upon the settler. It is idle, therefore, for a western man to tell us that these guarantees have been reckless. I venture to say that the hon. gentleman would not make such a statement in Alberta, because he knows the settlers of that country are very anxious indeed for branch lines; and we have also the statement of the hon. gentleman from Macleod, and of the Prime Minister of Saskatchewan, as to their necessity. That being the condition of affairs, the Government of Canada were confronted with this situation: they had a partially completed railway system that had been guaranteed by both the provinces and

the Dominion as a transcontinental line, and the question before them was: Shall we assist that line to become a transcontinental railway, or let it go into the hands of a receiver; or, as the hon. gentleman said yesterday, pool the stock, eliminate Mackenzie and Mann, and appoint some gentleman to run the road? What did the Government do first? The first thing they did was to make a thorough investigation into the affairs of the company. My hon. friend complains that it was not under oath. Well, we have investigations made into companies affairs continuously in this country. When any question arises in regard to any of these large mergers, you employ a firm of accountants to inquire into the affairs of a company before you take it over, and I have never heard that, when any of these large corporations were formed, any inquiry was made other than an audit such as the Government has made in this case.

The people before us are not criminals, they are not people who are unknown and the Government employed the Comptroller of the Finance Department, the Comptroller of the Railway Department, and the Comptroller of the Intercolonial railway to make that investigation. On top of their examination, you have the oath of two officers of the road who say that as far as Mackenzie and Mann are concerned they have not made one dollar out of this enterprise. I had the pleasure of being at a banquet in the city of Toronto on the 14th of December, 1906. It was a banquet given by the Board of Trade to the two distinguished gentlemen who control the interests of the Canadian Northern Railway Company. Sir Mortimer Clarke, then Lieutenant Governor of the province of Ontario, presided at that banquet. The most distinguished men in the province of Ontario. Senators, premiers, ex-premiers and others, were present on that occasion, and before that assembly, as long ago as 1906, Mr. Z. A. Lash made this statement:

> Now, gentlemen, I will tell you another secret. During all these years neither Mr. Mackenzie nor Mr. Mann has drawn from the railway company or the Canadian Northern Railway system one single dollar in cash for themselves, whether for contractors' profits on construction or otherwise. They have given their invaluable time and services without salary; and though they have in the interests of the railway probably done more travelling than any other two men in Toronto, yet they have not drawn one dollar for travelling expenses. On the contrary, they have advanced out of their own private means and credit, millions of dollars for this railway system, and have in the earlier stages risked their whole fortunes and future for the benefit of the undertaking.

My hon. friend has been pleased to cast some slurs upon, or to make some remarks about, Mr. Z. A. Lash. I venture to say in the presence of any lawyer in the province of Ontario, and I think of the Dominion of Canada, there is no man in the legal profession who is more highly regarded by the profession than Mr. Z. A. Lash. He has been a distinguished member of a leading firm in the province of Ontario for a generation. He has been counsel for the Bankers' Association for a great many years. He has been connected with the Law Society and he has looked after the legal affairs of the province of Ontario for a generation. His word would be taken by any man in the province of Ontario, by any business man, any banker, and I venture to say that that statement made at that time in that fashion is a statement that every gentleman in this House will accept without question as being true. I am reminded by an hon. gentleman that he was also deputy Minister of Justice in this country.

The audit which the Government made, and which they made, I am satisfied, with the greatest possible care, is only corroborative evidence of what has been well-known to those who have known what this work was, the men who were carrying it on and why they were carrying it on, and the Government have taken care in this matter that no claim shall be made and no profit other than common stock. My hon. friend stretches out his hand and says: Why, it passes the credulity of man that they could do such a thing. When you have a great undertaking to carry on, can you commence to milk it at the start as the hon. gentleman would have us believe? For one thing, the bank would never in the world allow it. I am quite satisfied that the Canadian Bank of Commerce, when they made Mackenzie and Mann put up every security, personal and otherwise, at their command for the carrying on of this enterprise, would never have allowed these gentlemen to take one dollar out of it. These men were ambitious to build a great transcontinental railway and they were willing to wait until the completion of this enormous enterprise before receiving the profits which they would be so justly entitled to and which, I am sure, nobody will begrudge them when the facts are known. Therefore, I think it may be taken as a fact that, in so far as Mackenzie and Mann are concerned, they have not received one dollar

profit out of this enterprise and that their sole profit will be that which may be derived out of the common stock, which is all they get in connection with the arrangement which is now being made by the Government.

The Government having made this audit and having ascertained this state of facts, it would be reasonable for them to consider the whole situation. In considering the whole situation, it was reasonable for them to look into the matter and see who the applicants were and what right they had to come to the people of Canada for assistance. My hon. friend says that these gentlemen are the prize mendicants of this country. I did not know that it was mendicancy to ask a loan from a bank when you put up security and pay for it by common stock. It is to my mind a most ordinary business transaction. Instead of going to a banker it was very natural to go to the Government because no one is more vitally interested in the success of the road than the Government is and if it was a good financial proposition for a banker it certainly was much more so for the Government. It was much more so in the interests of the people of the country because the aid which the Government could give to this enterprise could obviously be obtained at a cheaper rate than if it were obtained from a private banker. The Government, while aiding the road were also aiding the people of the country, and it was much better that they should grant this aid than that Mackenzie and Mann should go to the bankers and allow them to distribute this common stock because if any common stock was going it was desirable that the people should get it.

The Government having ascertained the position of this matter, and having met the applicants, it is only fair, it is only just to these men to show what they had put into this enterprise which entitles them to the consideration of this country. These men gained their first experience in construction work on the Canadian Pacific railway in the Canadian West. I do not think there is a man within sound of my voice who does not believe that they know more about railway construction than any other people in this country to-day. I do not think there is a man who is informed upon these matters who believe that there is any set of men in Canada to-day with the same amount of skill and ability in the construction of railways, cheaply, safely and economically as the two men who control the interests of the Canadian Northern railway. Having got their experience in the Canadian West they began to build railways for themselves practically only from 1896. I want you all to bear in mind that in 1896 only 21,000 immigrants came into this country. I want you to bear in mind that that great, powerful system, the Canadian Pacific railway, would not build one branch line of railway, would not put up one dollar for branch lines. Why? Because they did not have the faith in Canada's future that these two men had. They are entitled to consideration because they had faith in Canada and they realized that the construction of the branch lines in the Northwest was necessary in order that that country might be settled and that Canada might become one of the greatest countries of the world. How do I know that? There were, in 1896, three charters kicking around Manitoba, that had been kicking around there for these many years, and nobody would touch them, land grant or anything else. The Canadian Pacific railway would not touch them at all. Obviously it was thought that there was no necessity for them to do so because they no doubt argued that if anybody was willing to be a big enough fool to build a branch line the traffic would come to the main line and they would get the branch lines in the end at their own price. And they would have got them but for the genius of these two men, who succeeded in connecting up Port Arthur and Winnipeg. They built a line there, so that, when the Manitoba Government had an opportunity to buy the Northern Pacific, there were only two men outside of the Canadian Pacific Railway Company who were able to handle the matter and to carry grain to the Great Lakes, thus giving the West the one thing for which its people had asked for years, namely, railway competition. It is idle to say that the Manitoba Government did it. I am willing to give my hon. friend the Minister of Public Works all the credit that is so justly due to him; but it takes two men to make a bargain; and it is due to the fact that Mackenzie and Mann put their energy and capital into that railway enterprise that there was a railway from Winnipeg to Port Arthur able to deal with the Manitoba government independently of the Canadian Pacific. There was no one else who could have leased the Northern Pacific Manitoba railway, and in that way given railway competition to the Canadian West except the Canadian Northern. That is the first thing that occurred.

In connection with the construction in 1896 of these roads that nobody else would

have anything to do with, Mackenzie and Mann got 4,100,000 acres of land. Apparently they took 100,000 acres of that land for themselves, and turned in the other 4,000,000 acres for the benefit of the Canadian Northern railway. My hon. friend from Calgary (Mr. Bennett) says that some of these lands were later on exchanged, and that the new grant was made to the Canadian Northern railway and not to Mackenzie and Mann or these other companies that originally earned the land grant, as if that were of any consequence. The only reason that was so was because these earlier roads had been amalgamated with the Canadian Northern railway, and the Canadian Northern railway had absorbed the lands granted to these railways and was therefore at that time the company entitled to receive those exchange lands. There is no particular mystery in regard to the fact that other land than the particular land that they got was given to them. A portion of the land originally granted was found to be unfit for settlement; and where it was not fit for settlement, the Government were bound to give them land fit for settlement. The Canadian Pacific railway got land fit for settlement in exchange for lands originally granted which were unfit, and it was perfectly fair and proper to give the Canadian Northern railway lands fit for settlement, seeing that the grant called for that class of land. So much for that situation.

I want it to be borne in mind that I accept the statement of the Prime Minister, who has investigated this matter through the accountants, as to the value of that land which these gentlemen were entitled to put into their pockets; in the same way as other gentlemen in the Canadian West put into their pockets land grants in connection with the construction of railway lines in that country, as is well known to every one here. Mackenzie and Mann had precisely the same right to retain these land grants for their own use and profit but they turned the lands over to the Canadian Northern. When the Prime Minister says that that land is of the value of $30,000,000, I accept his statement, and I will deal with it later on. It is of importance in regard to what the people of Canada must do, because they must deal fairly with these gentlemen, just as they must deal fairly with themselves. We are too great a people not to rise to an occasion of this kind, and deal well and fairly with those who have dealt well and fairly with us.

I will now leave these land grants for the moment and come to the question of freight rates and freight competition and the benefit the people of Canada have already derived in this regard by the work of Mackenzie and Mann. I have here Chapter 39 of the Statutes of 1901 of Manitoba; and section 8, subsections (a) and (b) read as follows:

> (a) Reductions amounting to more than four cents per hundred pounds on the tariff rates in force on the date of said indenture for the carriage of grain from Manitoba to a lake Superior port and,
> (b) Reductions amounting together to more than fifteen per cent on the tariff rates in force on the said date for the carriage of all other freight from and to points in Manitoba, and from and to points in Manitoba to and from Fort William and Port Arthur.

I also call attention to section 10 of the schedule to this statute, which says:

> Commencing when this agreement takes effect, the company shall reduce its passenger rates in Manitoba to not exceeding three cents per passenger per mile.

I may say for the information of some hon. gentlemen that the former rate was four cents, so that the reduction has been 25 per cent, an enormous reduction.

I am now going to read some testimony as to the benefits the people of the West and of Canada generally have received from this undertaking, from a paper of which some of us have certainly heard. I refer to the Globe, published in Toronto.

Sir WILFRID LAURIER: We have heard of it before. 12 noon.

Mr. BRISTOL: An article in that paper under date of March 24, 1914, says:

> The Canadian Northern railway has a part to play, and no insignificant part, in the development of Canada. It has already been of value in providing lower passenger and freight rates over wide sections of the prairies than were obtainable under monopoly conditions.
>
> Railway experts state that ninety per cent of these reductions originated on Canadian Northern railway lines during the past ten years. The reductions in the grain rates from railway stations in Manitoba, Saskatchewan and Alberta to lake Superior made by the Canadian Northern railway in 1903 and followed by the Canadian Pacific railway represent a saving to the farmers on the crops of 1903 to 1913, both inclusive, of $17,000,000, or four per cent on nearly $39,000,000 per year. And this is not all. There were large reductions in the rates from Port Arthur and Fort William not only to stations in Manitoba, but to Saskatchewan and Alberta, and the Canadian Pacific also had to reduce its rates. There were substantial reductions in the rates on coal from Port Arthur and on lumber from various points. There was a reduction of 15 per cent in the

local rates in Manitoba and 7½ per cent in Saskatchewan and Alberta. It would be difficult to compute the amount of the reductions made by the Canadian Northern railway and forced on the Canadian Pacific railway, but outside of the reductions of $17,000,000 on grain to lake Superior the saving in the rates on freight from eastern Canada and the United States, and locally between provincial and interprovincial points, would be twice, possibly even three times, the sum above-mentioned.

I am content to take it at twice, and leave it at $50,000,000. (Reading):

In over twenty years the only reductions in the grain rates to Fort William made by the Canadian Pacific were those made under the Crowsnest Pass agreement in 1898 and 1899 (three cents per 100 pounds), and the reductions forced on it by the Canadian Northern railway in 1903. The rates on grain and flour from stations on the Canadian Pacific in Saskatchewan and Alberta are higher to-day than twenty years ago.

They have since been reduced, I believe, by the Railway Commission. (Reading):

It is argued that the West would be just as well off with one strong road like the Canadian Pacific railway as with competing lame ducks that cannot compete because of overcapitalization or poor physical condition. The facts presented above prove this to be a specious fallacy. The Canadian Northern railway and the Grand Trunk Pacific have a great work to do in the West, and no one desires to see either of them so financially hampered as to be forced to the wall or sold out to the Canadian Pacific railway.

I asked the Department of Railways to verify those facts for me, and I will read a part of the statement. I think the statements made to the Globe are substantially accurate as to the savings in the Canadian West.

Sir WILFRID LAURIER: As always.

Mr. BRISTOL: I am very glad we can agree on this point anyway. I call attention to page 46 of the report of the Railway Commisioners in the western freight rates case, where the following important statements are made by Mr. Drayton:

The next reduction was forced upon the Canadian Pacific as a result of an agreement entered into by the Canadian Northern with the Government of Manitoba. As a result of that agreement, the 14 cent grain rate from Winnipeg to Port Arthur and Fort William became 10 cents, and reductions approximating 15 per cent of the tariff rates on all other freight were made. The result of the agreement was that, although the operations of the Canadian Northern at that time were comparatively small, for competitive reasons the Canadian Pacific was compelled to accept the scale of rates that the Canadian Northern had been paid to adopt, and to put into effect decreases which, according to the evidence adduced by Mr. Cowan, the Canadian Pacific thought could but result in the insolvency of the Canadian Northern.

Well, it has not done so up to date.

On the assumption that the existing Canadian Pacific Railway tariff, in force prior to the Manitoba agreement, represents 100, the Canadian Northern's rates were made 85 in Manitoba; and the Canadian Pacific, as the result of the competition of the Canadian Northern at the lower rate, reduced its rates also to 85. Complementary to this action, the Canadian Pacific reduced its rates in Saskatchewan and Alberta to 92½. The reduction in Saskatchewan and Alberta does not seem to have been brought about either by agreement or competititon. Scaling as they do 15 per cent of the standard so reduced, town tariffs in Manitoba were reduced to 70, and in Saskatchewan and Alberta to 77½.

The Comptroller of Statistics of the Department of Railways and Canals goes on to say that there were 18,980,946 tons of grain of various kinds shipped during the period from 1901 to 1913.

The saving at the rate of 4 cents per one hundred pounds, would be 80 cents per ton, and on 18,980,946 tons would amount to $15,184,757. From this calculation is unavoidably eliminated the volume of grain which was moved between Winnipeg and the storage elevators at Port Arthur and subsequently by rail eastward. The saving would be swollen by just that much. Then, there is the money value of fifteen per cent reduction on commodities other than grain. I asked concerning the branch lines of railways and general mileage increase in the West, and I found that from 1907 to 1913 the Canadian Pacific railway built 1,835 miles, while in the same time the Canadian Northern railway built 2,186 miles and the Grand Trunk Pacific 1,023 miles. It can at least be claimed that these substantial additions made to the transportation facilities of the West should in a large degree be credited to the Canadian Northern Railway system.

The Canadian Northern Railway system have shown their ability, even as an isolated system, not connected, as a granger road, to compete with the Canadian Pacific Railway system and to reduce rates in the Canadian West. The Canadian people to-day have received the benefit of $50,000,000 in cash, by reason of the Canadian Northern Railway system going into the West, by reason of the genius of these men; and up to this moment, it has not cost the Canadian people one dollar on the guarantees they have given. And what have the Canadian people got? A network of branch lines in that country such as does not exist in any other country of similar area in the

world. And there goes with that, of necessity, the opening up of the country. The very thing which this Dominion has been spending hundreds of millions on the Transcontinental to accomplish has been accomplished by the Canadian Northern Railway system with no cash aid except a paltry $25,000,000 of subsidies amounting to $2,912 per mile, or less than the usual Dominion Government subsidy of $3,200 per mile towards the total of their expenditure and Government guarantees of less than half of their subvention—guarantees which have not cost Canada one dollar.

My hon. friend from Calgary yesterday dealt with the question of the subsidiary companies. It seemed to affect him terribly that there were so many companies in connection with this system. My hon. friend is probably one of the best company lawyers in this country, and he knows, I am sure, as well as any one in this House, how these companies are, one and all, financed. He knows, for instance, that if you are going to build an elevator, you form an elevator company and issue direct the bonds of that elevator company, so that the person who buys those bonds has a first mortgage on the particular property in respect of which he is putting up his money. So with a terminal company, if they were unable to finance it, as the Canadian Pacific railway do, through their main company, they must give the persons who take the bonds security on, in this illustration, the terminal property, the very property upon which their money is advanced. That is easily accomplished by issuing first mortgage bonds of the terminal company and a certain amount of common stock which goes into the hands of the parent company which controls this and the other subsidiary companies.

The hon. gentleman said also that Mr. Lash had 'performed every known feat of financing.' I do not know whether it is well to follow a statement of that kind. Everybody knows that these securities have been sold in England, and that if you are going to raise money in England you must go with the securities that the English investor wants. This road, like any other concern that is looking for English money, must be financed on the basis on which the English investor is willing to take the security. Neither Mr. Lash or anybody else can dictate to an English banking house what form the securities shall take. Believe me, they will have the securities in the form they want them, and the securities of the Canadian Northern railway are not different from others placed with British investors.

There was one matter on which my hon. friend from Calgary was particularly eloquent and forceful; I even thought, when he presented it to the House, that he was prepared to rest his case upon it; for he made a most unjustifiable attack upon the Solicitor General (Mr. Meighen) and while that hon. gentleman was absent from the House, made the statement, and was willing that it should go to the people, that the statement presented by the Canadian Northern railway to its English shareholders and investors was false. I have here the statement of the company as at 30th June, 1913. It shows a surplus as follows:

Land account	$16,930,835 01
Railway account.	6,778,384 65
Total..	$23,709,219 66

The hon. gentleman waved his hands, and speaking in stentorian tones demanded why they did not take this surplus and pay their debts. Now, this surplus is shown on the liability side, not on the assets side. It is a liability, that is, it is a surplus which has been disposed of, because you have to look for it in the assets if it is shown on the liability side. When you turn to the assets side you find this:

Deferred payment and accrued interest on land grant sales, $7,834,174.42.

That item refers to the land account in respect of which they are entitled to $16,930,835.01, and it accounts for $7,834,174.42 of the surplus shewn as a liability. And again:

Cash with National Trust Company account of land sales, $2,962,310.93.

This accounts for a further sum and the balance obviously has been absorbed in the other assets of the company otherwise the assets and liabilities would not balance. The Solicitor General said it had gone into betterments. Obviously that is where it went—why? The company issued their bonds, which went into railway construction. If they made betterments, therefore, they could not make them except with the money that the railway earned. That is simple, surely. The idea of saying that this is a false representation to the English investor! Can one imagine a first-class company lawyer, one who associates with leaders in financial affairs, making a statement of that kind and putting his personal belief behind it? To me it almost passes belief. I hope I have made the point plain, because I regard it as of some importance. If any hon

member listening to me does not understand it, I hope he will let me clear away his misunderstanding. To me it is so obvious that I should think even the hon. member for Calgary ought to be able to understand it.

Then there was another matter that was going to turn into a terrific scandal—the Imperial Rolling Stock Company. I have asked for information, and I find that the Imperial Rolling Stock Company was precisely as it had been described. In order to prevent the rolling stock coming under the main railway mortgage, the Rolling Stock Company intervened and bought the rolling stock, when they had credit enough for it, and sold it to the railway company with their tag upon it, so that it did not pass under the main bond mortgage. I have the information from the Government that not one dollar of profit was made out of that concern and not one dollar has ever been paid in dividends in respect of the rolling stock of the company. I almost thought, however, that the hon. gentleman was going to throw a fit when he was dealing with that rolling stock company. He picked up this Eleventh Annual Report of the Canadian Northern and held up his hands in holy horror at this item that he found among acquired securities in Canadian Northern Prairie Lands Company $483,393.35. Let me call attention to the fact that is precisely the value of that stock on the London market at that time, about $12 per share. It was bought for $5 a share, or rather was received in exchange for land which they sold at $3 per acre. The amount simply represents land which they put in and which they took stock for. They sold some of the stock, and got the money, which went into the road, and this is simply the value of the balance of the stock exchanged for land—it is put under acquired securities—of the stock which they still hold.

My hon. friend said: Since when did a fraudulent misrepresentation form the basis of an agreement for further aid? I assume that this remark had reference to a statement made by the Prime Minister last year, in which he said:

> The Canadian Northern Railway Company professes itself able, under ordinary conditions, to raise all the money that may be necessary for the completion of the line.

I am sure that no man in this country will contend that conditions are ordinary in Canada, in Great Britain, in the United States, or in the money markets of the world. War, fear of war, decreased railway earnings, lack of confidence, have made conditions extraordinary. Financial people have told me that financial conditions are worse than they have been for the last fifty years, and they have grown steadily worse since these gentlemen were here a year ago. I myself know a little of the law, and I do not believe that a statement of intention may constitute fraudulent misrepresentation. I am sure that legal gentlemen of the House will bear me out in saying that an untrue statement of fact may constitute fraudulent misrepresentation, but not a statement of future intention to do something. My hon. friend, however, is sometimes as mixed in his law as he is in his facts.

My hon. friend dealt with the question of $70,000,000, and $77,000,000 of stock, and the ten per cent. I will not follow him in that matter, except to say that I understand that the Government, for their own protection, preferred to make that $7,000,000 of stock paid up by Act of Parliament. Without any consultation with the Canadian Northern railway or Mr. Z. A. Lash, who was not in this country at the time, a measure so providing was put through Parliament. So that if there were $7,000,000 extra issued last year and if the per cent were eleven instead of ten, the Government of this country take the responsibility; they wanted to be sure that the stock was fully paid up, and they asked Parliament so to provide. In my judgment, this was quite the proper thing to be done.

My hon. friend speaks of this road as a bankrupt road and, speaking of its physical condition, refers to dirt ballast and things of that kind. He did not give us his authority for the assertions which he made, though he did tell us that he went through British Columbia and that he was afraid he would fall into the Fraser river. That seems unfortunate. The proof of the pudding is always in the eating. We have had the evidence of the Railway Department of this country, not forgetting the Toronto Globe, that this system has been good enough to save the people of this country $50,000,000 since it was created; consequently it must have been good enough to carry traffic. My hon. friend really makes no distinction between a main line and a branch line. Obviously the people do not spend large amounts of money on branch lines of railways if they can avoid it. Why? If you have a branch line on the prairies of the Canadian West that is operated three months in the year for special traffic, would

you spend money on any special ballast? Would you make the railroad anything better than was necessary for the purposes of carrying grain? Is that not what the farmer wants? I have seen in the South, railway tracks laid right over the cane-lands without ballast and taken up again after the sugar cane was harvested. The whole theory of this class of transportation is to provide such facilities as will enable the train to get to the main line of railway and get there safely. This railway which is called a bankrupt and useless railway, carried over one-third of the grain of the Canadian West last year to Port Arthur. What else did it do? It carried 1,681,760 passengers in 1912, with only one person killed, and carried nearly two million passengers in 1913, with none killed. Is that not a magnificent record for a railroad? My hon. friend says these people do not know how to operate a railroad. They do not kill anybody; they carry the traffic; they provide competition. They show a surplus in earnings in the West even while under construction; but, in his opinion, they do not know how to operate a railroad. They must go to Sir Thomas Tait to learn how to do that. Did any one ever hear such nonesense?

Let me give you one more illustration. Do you know that this line of railroad, during the last four months of the year 1913, September, October, November and December, carried over 40,000 cars of grain at the rate of 335 cars a day? I have the figures from the Railway Department, and I am talking by the book. The best record the Canadian Pacific railway ever made on a single track road was 250 cars a day. The Canadian Northern this year has run 335 cars a day for a period of four months: 12 trans a day, with 30 cars each, and, in respect of passenger trains, four more on top of that. Yet the hon. gentleman has the audacity to say that these people do not know how to operate a railroad. I think the performance of this road, under the conditions which have existed, is remarkable, and something of which any one may well be proud. What are they coming to Parliament for? They are coming to Parliament for a guarantee of $45,000,000, of which some $27,000,000, as was suggested, is wanted for rolling stock, and $10,000,000 for betterments. What is that $10,000,000 for betterments for? It is to put 80-lb. rails on the road from Winnipeg to Edmonton, where for 620 miles they now have 60-lb. rails; it is to put up a proper balast on the line and to bring it up to the standard of the National Transcontinental line. No road can be built in a day. The National Transcontinental is the best road that has ever been built in this country, so far as construction is concerned, and the Government of this country are requiring that the new portions of this line, from Port Arthur to Montreal and from Yellow Head Pass to Vancouver, shall be built up to the standard of the National Transcontinental in respect of ballast and rails, and that it shall be in all general respects sufficient for the purposes of fast transportation.

What else have these gentlemen done? Why is this road in the future going to be of greater benefit to Canada than it has been in the past? The railway profiles show that the Canadian Northern transcontinental line through the mountain section has even a better profile than the Transcontinental railway in the ratio of ·07 to 1 per cent; has a better grade than the Canadian Pacific railway, in the ratio of ·07 to 2·4; has a better grade than any transcontinental railway in the United States as well, over this most difficult section; and in other respects the grades and curves of the Canadian Northern railway are superior to those of the Canadian Pacific railway as they exist to-day. What does that mean? That means that as this road gradually settles down in two or three years and gets re-ballasted in places and filled in as a road does, because you cannot make it in a day, you must have use and weather conditions and time for structures to be filled in and brought up to standard, you will find a road which in grades and in curves will be superior to any road on this continent. What does a ·7 per cent grade mean through the Rocky mountains as against a 2·4 per cent grade? It means that a train of sixty cars can be hauled by one engine as against a train of thirty cars by two engines. What does that mean in getting traffic between Edmonton and Vancouver? It means according to experts a saving of $1,200,000 and upward on every 6,000,000 tons of freight hauled. The Canadian Northern Railway line is only 762 miles from Edmonton to Vancouver. The Transcontinental line is 952 miles from Edmonton to Prince Rupert. Consequently the Canadian Northern railway is nearer the sea. The western system of this line, over 5,000 miles, is earning its fixed charges, it has been successful, it has paid and since its inception has had surplus earnings amounting to $6,778,384.65 which have gone into

betterments. It is in no sense bankrupt. It is prosperous. But when my right hon. friend the leader of the Opposition, then Prime Minister, made up his mind to have another transcontinental railway, in connection with the Grand Trunk Railway system, the Canadian Northern railway either had to get from ocean to ocean or they had to lose all through traffic which at that time they were getting through the Grand Trunk system. Their existence as a railroad was at stake, and they were compelled to become a transcontinental system. My hon. friend from Calgary (Mr. Bennett) enjoyed himself very thoroughly over the Bay of Quinte road and the deficit of that poor little road. I happen to come from that part of the country; I know the road and it does not deserve the abuse my hon. friend gave it. As a matter of fact, that road was bought because it was to form part of the system of the Canadian Northern railway between Montreal and Toronto, and the value of the thirty miles which the Canadian Northern railway acquired will be a great deal more than two or three times the deficit when it is a part of a connected-up system. The same thing applies to the Canadian Northern Quebec. My hon. friend took Poor's Manuel and showed, very properly, that a branch line railway, without any connections, was not paying. No one would argue that such a line would pay in this country. But, as part of this transcontinental system, connecting Montreal and Quebec, it was a vital railway for the Canadian Northern railway to have, and it was worth many times to that system the amount of the deficit of which my hon. friend speaks. That is why these branch lines have been bought, and that is why you get no statement as regards the eastern lines. Why? Because the eastern lines in Ontario have been and are to-day under construction. But I say that it is one of the miracles of modern railway construction and operation that the Canadian Northern railway in the Canadian West was able, through all these years, to build and construct railways and operate them without one deficit and without costing one dollar to the people of Canada or to the Canadian West during the actual construction period of the railroad in respect of the Government guarantees. That has never been done before in any country. I think when the hon. member for Calgary is so anxious to change the personnel of the must be some other reason than the reason

[Mr. Bristol.]

gentlemen in control of this road, there that he does not believe that they are able to construct and operate railroads. The eastern system will be connected up with the western system, with the result that instead of the company having, as they now have, a branch line in the Canadian West, dependent on practically one set of crops or one kind of merchandise, they will have a well balanced system, they will be able to take the manufactures of eastern Canada, so far as they are required, to the West, they will be able to bring the products of the West here. They will be able to bring the timber and fish and coal of British Columbia into the western prairie country, where it is so much needed. I venture to state that the history of the success of the Canadian Pacific railway in this country, of which we are all proud, will, in the future, attend the Canadian Northern railway, once the system is connected up and properly put in operation.

We have heard a great deal on this question of capital stock. It it is really a very simple question and not at all complicated. I think it will do no harm to go over it. The Canadian Northern Railway system proper to-day has $77,000,000 of capital stock issue, $70,000,000 controlled by Mackenzie and Mann, and $7,000,000 by the Government of Canada. Some $68,000,000 of the capital stock of the subsidiary companies is outstanding. My hon. friend from Calgary pointed out that $45,000,000 of that $68,000,000 was held by, or in trust for, the Canadian Northern railway. That is true to this extent, that the Canadian Northern railway will be ultimately entitled to it when they comply with the trust or pay the necessary money. But the effect of what the Government are doing in this case is that they take the $68,000,000 of outstanding stock belonging to companies other than the Canadian Northern railway and they say that those stocks shall go into the treasury of the Canadian Northern railway, and be held there for all time and in return for that there will be issued $23,000,000 of fully paid-up stock of the Canadian Northern railway. That stock does not go to Mackenzie and Mann except as Mackenzie and Mann are legally entitled to that $68,000,000 as anybody is entitled to any stock which he may buy and pay for. The Government of Canada, in the bargain they are making, after taking the $68,000,000 of stock and selling it to the Canadian Northern railway for $23,000,000, say to Mackenzie, Mann and

Company and the Canadian Northern railway: That $23,000,000 must be transferred, with $10,000,000 more that you now have, to the people of this country. The capital stock has been reduced, obviously, because if that $145,000,000 were left outstanding, that would be the stock on which these companies would have to earn dividends. The hon. member for Edmonton in referring to these companies said that, for instance, the Canadian Northern Ontario Railway capitalization was $10,000,000, and that they would have to earn dividends on that. My hon. friend is entirely mistaken, because that $10,000,000 of stock goes into the hands and becomes the property of the Canadian Northern Railway system, and it is only the $100,000,000 of stock, oustanding, that will ever be in the hands of the public or on which any dividends can ever be declared or paid. That is another reason why it is idle to follow my hon. friend from Calgary through his long oration on these various roads and their capitalization. It becomes quite unnecessary, because the only capitalization that the people and Parliament of Canada have to consider is the $100,000,000 capital which now constitutes the capital of the Canadian Northern railway. One hon. gentleman makes the suggestion that there was $25,000,000 more in respect of convertible stock. That is quite true for this reason, that the convertible stock is convertible into common stock, and if it is taken out of convertible stock and changed into common stock it means that the fixed obligations of the Canadian Northern Railway system are decreased by $25,000,000 and the common stock is increased by $25,000,000. No one can have objection to a change of that character. If a man went to the Canadian Northern railway with convertible stock and changed it for common stock, there could be no objection. But let it be clear that the $25,000,000 of convertible stock no longer remains a fixed charge on the Canadian Northern Railway system, but becomes common stock. We have nothing to do with that, it has been sold in England and is out of this country. But there is $100,000,000 of stock that this country has to deal with.

Mr. AMES: Do I understand that the $25,000,000 of convertible stock, if exchanged for common stock, would carry with it voting power?

Mr. BRISTOL: Obviously, I think, I cannot understand that there could be more than one kind of common stock.

Mr. AMES: So that there would be $125,000,000 of common stock carrying voting power, if it fell into the hands of the general public.

Mr. BRISTOL: Precisely.

Mr. AMES: Then the Government or general public would have the controlling interest.

Mr. BRISTOL: That is quite true. As that $25,000,000 of convertible stock has been sold abroad and the money put into that road, I think that so far as this debate is concerned we cannot deal with that matter; but there is $100,000,000 of stock which we can deal with, and it is the only stock that affects the people of this country, as it is the only stock on which dividends will be paid. I put the proposition to you in this fashion. Here is an enterprise which, when completed, will have cost about $375,000,000, including about $70,000,000 for rolling stock and about $25,000,000 for terminals the people of Canada have got the benefit of every dollar of that vast expenditure. I want just a moment to compare its cost with the cost of the main line of the Transcontinental. The main line of the Canadian Northern railway costs $106,000,000 without the terminals, which figure out at $34,000 a mile. The Transcontinental costs $305,000,000—my hon. friend from South Renfrew will correct me if I am wrong—which figures out at about $80,000 or $84,000 a mile. The importance of that comparison is this: Giving the former Government of Canada every credit for desiring to construct a transcontinental railway in the cheapest possible fashion, the result practically is that it cost the Government about $45,000 a mile more to construct the Transcontinental than it cost Mackenzie and Mann to construct the Canadian Northern railway. Look at the proposition in this way: The people of Canada are interested in the construction of this road at the cheapest possible price. That is vital in order to give competition and cheaper rates. The fixed charges of the Canadian Northern railway will amount to about $12,000,000. The hon. member for Calgary made that statement, and I quite agree with him. The fixed charges of the Canadian Pacific railway are about $10,000,000; but the Canadian Pacific has about $260,000,000 of common stock outstanding on which it is paying 10 per cent dividends, and if it failed to pay these dividends finan-

cial disaster would come on the railway and the people of this country, as no stock is more highly regarded than Canadian Pacific, and properly so. The Canadian Pacific, then, has to earn, including the $10,000,000 of fixed charges and the $26,000,000 of dividends on the common stock outstanding, $36,000,000 in order to keep its stock before the public in the proper shape. The Canadian Northern railway has only $12,000,000 of fixed charges, and only $100,000,000 of capital stock; so that when the day comes when this capital stock is earning 10 per cent it will have $22,000,000 of fixed charges, and dividends of which the Government will be getting $4,000,000 a year. The fixed charges and dividends will still be $14,000,000 less than the fixed charges and dividends of the Canadian Pacific, because I think it is only fair in this connection to take into account the dividends on the common stock outstanding of the Canadian Pacific. What has this road to show for that expenditure? When the $375,000,000 are spent, they will have 10,000 miles of railway throughout Canada —an enormous railway system. The Canadian Pacific railway mileage is rather larger, about 14,000 miles, I think. The point I want to make is this: Here is $100,000,000 of common stock to be dealt with, and here are two gentlemen who admittedly have put into the enterprise over $30,000 in land value, quite apart from anything else, and who if they were to be dismissed and, as my hon. friend from Calgary says, sent about their business, would surely be entitled to a claim for their work as contractors in this enterprise; and is there any man in this country that believes that less than ten per cent on the cost of the enterprise would be allowed by any board of arbitrators? If you take that figure, these gentlemen would be legally entitled to $37,500,000, which anybody in this country, on an arbitration, would give them for their work in connection with this railway as contractors and $30,000,000 cash for lands. These two sums for land and contractors services. That, in my humble judgment, more than pays in cash for the $60,000,000 of stock. How idle it is to talk of the printing press, and of water, when you have to face facts of that kind that cannot be contraverted. But that is not all. What did these gentlemen do in addition? The Government of Canada says: Coming in at this last stage, we are to be entitled to $33,000,000 of your stock for the $45,000,000 guarantee. If that is a fair price for a guarantee, what price should be paid Mackenzie, Mann and Company, Limited, for guaranteeing every dollar invested in this enterprise from its inception to the present day, and putting their personal guarantee behind it? My hon. friend from Calgary says that Mackenzie, Mann and Company, Limited, are worth $50,000,000. They have guaranteed this investment. What price would they get in common stock for that guarantee? Does anybody think that they can get a guarantee for ten per cent on an investment? Any hon. gentleman who has had any experience in the construction of railways knows that first of all you have to get your charter; then you have to make your surveys; then your plans have to be laid out; then you have to get a contractor to do the work, and you go to a bank and say: Will you finance this road during construction; we have certain subsidies, and So-and-So is the contractor? If the contractor is Mackenzie and Mann you will get along all right, because the bank knows they are able to pay for the cost of the railway to completion whether the subsidies are sufficient to complete it or not; but if he is not a substantial contractor, some one has to be found to endorse that paper before the bank will advance the money. That is the only way in which these things are done, and anybody who knows anything about financing a matter of this kind knows that you must give either money or stock to the person who guarantees that the railway will be completed, that the enterprise is all right, and that the securities can, and will, later on be marketed. That is another item that has not been considered in the $60,000,000. There is a further item: these gentlemen have created and promoted a great enterprise. You may scoff at promoters, you may use the word in any discreditable sense that you like, but, believe me, there has been no great enterprise of any size since the world began that has not had to be promoted and worked out by the enthusiast who believed in it. Every great enterprise requires faith, optimism, and imagination, and there is not a man who does not think that a person who has the genius to plan and carry out a great enterprise, who influences capital to take stock in an enterprise which is a great national benefit for any country, should be paid for his services. But where is the payment for that? I venture to say that $100,000,000

would not be regarded by any arbitrator as anything else than the cash value of the services of these gentlemen in connection with this enterprise, when we consider that the sum of $375,000,000 has been honestly and carefully expended over a period of eighteen years without one dollar of graft being taken by the contractors—or profit, if you prefer to call it so. But are they getting $100,000,000 of cash? Are they getting $30,000,000 of cash? Are they getting any cash? They are getting stock to the amount of $60,000,000 and they have to take their chance upon that with the Railway Commission to fix rates. The assistance that the Government is giving them is this. They say: we are going to guarantee your securities to the extent of $45,000,000, we are going to give you three years to try and operate this road after completion; we know you can build railways but we are not sure whether you can operate them, we do not know whether you will make default and if you make default after three years we will take the railway away from you with every dollar you put into it and we need not give you one dollar compensation. That, in short, is the bargain which the Government have made with these people in respect to this business.

I venture to say that no firm of bankers in this country, the United States, or England, could have dealt with this matter in a more businesslike fashion, in a more statesmanlike fashion, in a more patriotic fashion, for the interests of the people of Canada than the Government have done on this occasion. My hon. friend from Calgary waves his hand and says that the people must have their rights and that the people's rights must be protected. Since when did the hon. gentleman become the only champion of the people in this country? The long training that my hon. friend had in defending the interests of the Canadian Pacific Railway Company in the West and fighting the Canadian Northern Railway Company. I am afraid, has slightly warped his judgment in connection with this matter and has prevented him from bringing to the consideration of it the same fair-minded treatment that he otherwise would have devoted to the subject. But as I state it was the Canadian Northern that he spent most of his life in fighting in the Canadian Northwest, and I fear his mind has become biased.

In dealing with this matter the Government, in my humble judgment, have considered every possible phase of the situation. They did not create the situation, out they have to deal with it. Obviously, in view of the past history of the Canadian Northern Railway Company and the cost of construction, it would have been the heigh of folly for the Government to have changed the method of construction or completion of this railway at the present time. Obviously, no two men in this country are better qualified to complete this great enterprise than they who had the honour of fathering it. The Government did wisely in not taking away from these men the natural incentive that they would have to complete this great railway system in the best possible fashion, to make it a paying system, a credit to this country and a momument to themselves, their friends, their families and the people of Canada. Under these circumstances I think it would have been most unwise if the Government had insisted on more than one director upon the board of the company or of taking any control in this way. It would have taken from these men the greatest possible incentive they could have to complete this railway and make it a success.

When you reflect, Mr. Speaker, upon the length of time that they have spent in developing this great transportation system, when you reflect that the people have already received reduced rates as the result of the introduction of a railway system which is a real competitor, when you reflect that the Canadian Northwest has been covered with branch lines which have made the settlement of that great country possible, when you reflect that, to their credit, these two men have opened up the great Saskatchewan valley and made it clear to the world that this valley is fit for settlement and that the land is of such a character that the settler can raise wheat profitably upon it, when you reflect that every government of this country has endorsed this enterprise, that every government has an undoubted interest in its success, that the people of Canada have had the full benefit of the vast expenditure and are as vitally interested in the success of this railway as even the owners of the stock. I think you will agree that when the Government of this country took forty per cent of the capital stock of the company for giving this guarantee, which if history repeats itself will cost the country not a dollar, they assuredly performed an act of statesmanship which will be remembered in the history of this country and which will redound to their credit. It

marks a new era in the dealings between governments and railways for the benefit of the people. If the railway is a success the people will be $40,000,000 richer and if it fails they will own a transcontinental line and branches 10,000 miles in extent at its cost to the builders.

At One o'clock the House took recess.

The House resumed at Three o'clock.

Hon. GEORGE P. GRAHAM (South Renfrew): Mr. Speaker, in the light of modern history, it will not be unwelcome news to the House if I intimate in the beginning that I am not going to follow an established precedent of speaking at any great length—I refer to a precedent established by myself.

The question of transportation is one to which I have given a little attention during my term of public life. While I am not vain enough to imagine that I have mastered this great problem, I have devoted some attention to it, and think I have discovered some of the difficulties that we encounter in the Dominion of Canada in working out the problem.

In the first place, we have a territory as large as the United States, comparatively sparsely populated. We have undertaken, in a manner not undertaken by any other country in the world of the same population as Canada, to afford as far as possible transportation facilities, not only to our own native Canadians, but to those whom we have asked to come from other countries to join in our citizenship. The task has been one of greater magnitude than possibly we thought in the beginning. When the Canadian Pacific railway was first discussed, honest differences of opinion arose as to the best method of carrying out the desire of the fathers of Confederation to unite the West, that was to become great, with the East, which at that time had reached greater developments. That was on the one hand. On the other hand, in the far East we had the problem of giving to the Maritime provinces railway connection with older Canada. In the latter case, the Government undertook and carried out the construction of a railway which has since remained Government-owned and Government-managed. A great deal of criticism has taken place year after year, not only in this House, but in the press, as to the benefits derived by the people not only from the construction of the Intercolonial but from its management as well. I have never departed from the idea, that first seized me when I entered into an investigation of the Intercolonial railway, namely, that it is a road of a great benefit to the people and should remain their property, not as a money-making investment but as a part of the terms of 'give and take' entered into between the various parts of the Dominion of Canada in order to round out Confederation, and make those who became a part of that great Confederation content and prosperous.

Into the far West was extended the Canadian Pacific railway, a work of great magnitude, and one that required, not only vision into the future, foresight as to the Canada that was to be, but financial courage and financial sacrifice. At least at the time of its construction many there were who thought it would entail financial sacrifice. I am not one of those who feel sorry that the men who took a great risk in the construction of the Canadian Pacific railway became wealthy after some years. It is a credit to the development of Canada that such has been the case; and it is an incentive to other men to invest capital in order that this new country of ours may be developed, because, unless capital has some security, development will cease.

Years after the Canadian Pacific railway came into operation, the Canadian Northern railway came into being, as has been described by several other speakers. As the result of the work of the Canadian Northern railway and its ramifications and the men connected with it, there is west of the Great Lakes what is, to my mind, the best gathering system in that territory. By 'gathering system' I mean ramifications and network of branch lines that extend into the most productive parts of the plains. This work was carried out first with the assistance of the Manitoba Government, then with that of the Dominion and the provincial Governments. Finally it developed into a transcontinental system or ambitions for a transcontinental system. It has been said to me on several occasions by persons connected with the Canadian Northern railway that the National Transcontinental or Grand Trunk Pacific railway have usurped some of the territory that the Canadian Northern thinks belonged to them originally, and through which their lines were intended to operate. I do not know as to that, but I know that the Canadian Northern railway has developed into a very large system.

I may say, without being considered partial, that the Canadian Northern, on the whole, even through its proposed main line, traverses territory as rich as that traversed by either of the other two transcontinental lines, to put it mildly. I do not agree with some hon. gentlemen who have stated that the line east of Port Arthur passes through a wilderness that will not be productive. That statement applied to the Canadian Pacific railway is partially true, because that railway but fringes the great fertile territory of Ontario that, at the time of its construction, was practically unknown. It is known, however, that in the northern part of Ontario there are millions of acres of very fertile land. The Grand Trunk Pacific railway traverses a portion of this territory and the Canadian Northern railway traverses equally as rich a portion of it. Not only are there millions of acres of very fertile land, but the mineral wealth of the newer portions of Ontario, to my mind, is not yet known. The timber wealth is not yet exhausted. It may be that the massive pine that raised its top skyward has been reduced in quantity; but there are in the newer portions of Ontario many million cords of pulp-wood and other timber of great value, which will become of greater value as the years go by. I do not at all agree, again I say, with those who insist that, from Port Arthur east, these two new transcontinental lines traverse territory that will not produce traffic. In the years that are to come, when some of the men who are in this House look back, I believe they will be surprised at any one thinking that that portion of Ontario and Quebec would be unproductive. Already there are springing up hundreds of farms, hundreds of farmers going into that country, pulp-mills arising, other industries that will arise, which point to a great development that will not only be of great benefit to the railways concerned, but to the two provinces and to the Dominion of Canada at large.

Mr. BORDEN: May I ask the hon. gentleman—purely for information, and because I know he must have made something of a study of this while he was Minister of Railways and Canals—do the observations which have just fallen from him apply to that portion of the territory immediately north of lake Superior, where, as we know, the Canadian Pacific railway runs through a very rocky country? I mean, does he think that north of that there is a good country such as he has described?

Mr. GRAHAM: Not, perhaps, directly north; but a very few miles east of that the good country does begin.

Mr. GEO. E. FOSTER: And runs eastward?

Mr. GRAHAM: Yes. I have been told that in conversation on many occasions. And in studying the investigations of officials of the Ontario Government particularly, I have arrived at the conclusion that in that northern country we shall find —we have already begun to find—minerals that will develop a great traffic even just north of lake Superior. As I have pointed out, the Canadian Pacific railway fringes the lake, and has only one side, while the other railways will have traffic on two sides.

M. J. D. REID: They run many miles back of the lake?

Mr. GRAHAM: Now, the Canadian Northern Railway Company—and I speak of it for the moment as a whole—desire to have a Transcontinental line. That was not an uncommendable ambition. And, speaking for myself, I think there is room in Canada for the three transcontinental lines. If not, we are building on a false foundation, and are making a mistake as to the future greatness of this country. Because, if, with our immense territory, as large as that of the United States, we are forever to continue on the basis of a population of ten millions, then Canada can never be the great country that we have believed Canada is to be. In laying the foundation of these great transcontinental systems, I believe the people of Canada acted wisely. I am not going to criticise the gentlemen behind any of these projects, for we are concerned more with what we ourselves have done in this Parliament, and what we need to consider is whether what we did in what we thought was the interest of the people was really in the interest of the people. So, if our population is to increase, as I believe it will—as everybody believes it will—if the great West of Canada, the fertility of which we have only begun to use, is to produce from the millions of acres still undeveloped, we shall need all the transportation facilities we have provided; and I believe we shall need the water transportation as well as rail transportation. For it is a well known fact that where you have the com-

petition of water transportation you increase traffic. If hon. gentlemen will look at the history of transportation companies, if they will consider the movements of commerce to markets, they will find that where there has been water competition it has not decreased the traffic by rail, but that in nearly every instance the traffic has increased as the traffic by water has increased. And that stands to reason. For, no matter how many boards of railway commissioners may be appointed, it still remains true that carriage by water is a great regulator of freight rates. That is evidenced by the fact that as soon as summer arrives and the boats begin to run the railways reduce their rates and bring into force rates that do not prevail when navigation is closed.

The Solicitor General (Mr. Meighen) took a little shot at the National Transcontinental. I do not blame him; I suppose it was natural, and possibly I should have done the same had I been in his place. But we are not discussing the Transcontinental; we did that at some length several weeks ago. But I would gently remind the Solicitor General of the fact that in these very resolutions he is asking for money to do on the Canadian Northern railway what he said should not have been done on the Transcontinental—money to provide steel structures, heavier rails, better grades, easier curves. Why? To bring this road up to standard so that it can compete with the Transcontinental and the Canadian Pacific railway. That is a pretty good vindication of my position and the position of the late Government. I wish to refer to one other thing the Solicitor General said and that my hon. friend from Central Toronto (Mr. Bristol) discussed this morning. He made a comparison between the Canadian Northern Railway system and the National Transcontinental. I think it would be out of place to go at length into that comparison, but I would like to make one remark about it: There is not a comparison there is a contrast. There is no pretence made that the Canadian Northern Railway system, even with this grant will be brought up to the high standard of the Transcontinental. My hon. friend from Centre Toronto pointed to the line through the mountain and said that the Canadian Northern railway would have better grades through the mountain section than the Transcontinental. That is—begging his pardon—superficial, and I will show the House why. It is true that at one point in the mountains the Canadian Northern railway has an 0·7 grade where the Grand Trunk Pacific has a one per cent grade. But all the rest of the Grand Trunk Pacific in that section has a grade of 0·6 against westbound and 0·4 against eastbound, and at the one point where there is a one per cent grade, a pusher grade is provided, Therefore, the ruling grade on the Grand Trunk Pacific eastbound is 0·4, while the ruling grade on the Canadian Northern railway is 0·7, and it is the ruling grade that governs, not the grade at one particular point. If hon. gentlemen will ask any railway man they will find out that what I say is correct. I do not wish to pursue these comparisons, because that is not the point under discussion.

Now, I want to say in beginning that I agree with the Prime Minister and I agree with the leader of the Opposition—which may be considered a somewhat difficult thing to do. I believe that the completion of this road must not only not be stopped, but it must not be delayed. I go, perhaps, a little further than some of my friends; I say that I am not in favour of putting the company into liquidation. I need not make any long explanation to make my position clear. In the first place, if we need the Canadian Northern railway—and we all agree that we do need it—then the sooner that we get it the better for the transportation service of Canada and the sooner we shall begin to get a return for our money. Again: Should we put this company into liquidation? I think not. Why? The situation in Canada to-day is such that the fewer liquidations of great concerns we have the better for the standing of the people of Canada. There must be a continuous construction of this road without liquidation, if possible. Now, let me speak just for a moment of what has been done by the Canadian Northern railway, and so lead up to the present situation. What the previous Government did in relation to the Canadian Northern railway has been referred to. The Solicitor General made some comparisons which I will not follow in detail for the moment. But briefly, and from memory, in 1908 the bonds of certain lines were guaranteed, and, if I remember correctly, in these guarantees for 1908 a first mortgage was taken on the lines guaranteed, and an over-riding charge on the other lines belonging to the Canadian Northern railway and in addition the tolls, revenues and so on. I say that, because the Solicitor General, if I understood him correctly,

said that we did not have these in the mortgage.

Mr. BORDEN: I do not know whether the Solicitor General was correct or not, but, as I understood him, the mortgage to which he alluded was the mortgage of 1911.

Mr. GRAHAM: I will take that up in a moment. There were two other securities, but in each instance there was a first mortgage. In 1911 another guarantee was given on the line from Montreal to Port Arthur, approximately, I think, 1,000 miles. The line from Montreal to Ottawa was partially constructed, but, I think, was not up to the standard of a transcontinental line. However, a first mortgage was taken on the line from Hawkesbury to Port Arthur, excepting two small sections on which there was a previous charge and on the stock of which a first mortgage was taken to the extent of $35,000 a mile. In addition to that, there was a blanket charge on the line from Ottawa to Niagara, a part of the line which is now being constructed from Toronto to Niagara, which will, perhaps, be one of the best paying portions of the road. Laying down these premises, I want to discuss the situation as we find it to-day.

I agree with what the hon. member for St. Antoine said with regard to the Canadian Northern coming to us continually. When I was in a position to speak with some authority, I said to them: Why not let us sit down and decide what you want to finish this road; why should we not discuss it thoroughly, obtain complete reports and make up our minds as to what should be done? Like the present Government, I was assured on one or two occasions that a certain amount would finish the road. I must say, though, that what these gentlemen always referred to in discussing the matter with me was the line from Yellowhead Pass east and not the line from that point west. There are one or two things in connection with the present situation which it would be well for us to look at. Should we do anything under the present circumstances? I think I have indicated my view in that regard. What are we asked to give under these resolutions and what is it proposed that we should get? If I read the resolutions aright—and they are very intricate—we are asked to give a guarantee of $45,000,000 and running rights on Government railways. My hon. friend in discussing the Government railways, referred entirely to the Intercolonial. The provision in this regard may be one solution of the difficulty of getting the Canadian Northern into the Maritime provinces or of connecting it with the other lines in the Maritime provinces, but I would point out to the Government that to give running rights for a long haul of several hundred miles will not mean much unless the railway company that gets the running rights are allowed to carry on local traffic. If they are allowed to carry on local traffic they will reduce the amount of the local business handled by the Intercolonial railway and just to that extent make the Government road less prosperous than it is at the present time, unless—and I am not pessimistic—unless the increase in traffic will be sufficient to carry on both lines. But the running rights are not over the Intercolonial railway only. Hon. gentlemen must not forget that the Government is building a railway to Hudson bay and this agreement gives the Canadian Northern railway and its subsidiary companies the right to operate on the Hudson Bay railway. That I am not objecting to at all; but it may be possible that giving the Canadian Northern railway operation of the Hudson Bay railway may mean handing over that project with its steamship connections to the Canadian Northern railway. It struck me, in reading over the agreement, that perhaps the Canadian Northern people had more in the back of their heads than one might think when they obtained this arrangement for running rights over Government railways, because, as I have pointed out, Government railways would include not only the Intercolonial railway but the Hudson Bay railway as well.

We are asked to give $45,000,000 by way of guarantee. Why give a guarantee, under the circumstances? It is a well-known fact that this Government can borrow money more cheaply than any second party can, even with a Government guarantee, and if this money is to be given to the Canadian Northern for a term of years—it may be returned, but there is a possibility that it may not—why should it not be wiser, under existing conditions, for the Government to borrow the money itself, and save the difference in the discount and in the carrying charges between what the Government would pay directly and what this company would pay, with the Government guarantee? The Finance Minister will at once raise the point that

guaranteeing a bond would not affect our borrowings in the market as much as borrowing direct would; that it would not add to our direct liability. That is true, in a measure, but nevertheless, under the present conditions and in view of the discussion which has taken place, I have very grave doubts that it would not enhance the financing ability of Canada if the Government should borrow this money direct, rather than go on the bonds of the Canadian Northern.

What are we going to get for this guarantee? I have looked over the various companies and the various securities and, although the statements are quite intricate, I think I have arrived at a fair knowledge of what they mean. I think I am not going astray when I say that the securities offered to the Government are not securities at all in the real sense of the term. We have a certain amount of stock on which a first mortgage is given, and a certain number of securities on which a second or third or fourth mortgage is given, subject, of course, to underlying obligations. If these were good securities, quite a large amount of money could be raised by the company without coming to this Government at all. I think it is fair to say that these are not considered good securities in the money markets of the world. Mark you, Mr. Speaker, that, if I have read the resolution aright, the only first mortgage on real property that the Government gets is a first mortgage on the Brockville and Westport railway. A mortgage on securities may or may not be any security at all, and there is prima facie evidence, to begin with, that these are not good securities, or the Government would not be asked to advance this $45,000,000. The Government is not getting a first mortgage on any real property except upon forty-five miles of the Brockville and Westport railway, running from Brockville north. That road is not really such good security for very much, I mean when we are speaking of millions. My right hon. friend the Prime Minister has travelled over that road with me to the village of Athens, on an occasion when we were not on political business. It is a road from forty-four to forty-five miles long, with fifty-six pound rails. Heavy traffic could not be carried over that line, yet this is one of the lines of the Canadian Northern railway system that is to be part of its transcontinental line. But if that road is to carry any heavy traffic, it will have to be rebuilt from end to end, new rails, new ballast, new ties, steel structures instead of wooden structures; so that the mortgage on real property does not add very much to the value of the securities. As I said, I think I am not putting the case very strongly when I say that the securities offered are not securities at all, outside of the Brockville and Westport railway, which is not security for a great deal of money. True, we have the land companies, the equity of redemption in certain other properties. But in these times of financial stringency, when real estate is going down instead of going up, the equity of redemption in a land company is purely speculative—and you must spell 'speculative with a capital 'S''. If I went through this House and quietly touched the members on the shoulder and asked them if they could dispose of at a profit the real estate which they have been holding for a year or two, they would say: We cannot sell it at all. Nobody wants to buy real estate. The speculative spirit drove real estate beyond the limits of prudence, both in the East and in the West, and it will take some years before the people return to sanity on real estate. The equity of redemption of a company dealing in real estate is certainly speculative, and of very little value. I think I am not going too far when I say it could not be put up for security anywhere in the money markets of the world to-day. Let me point out another thing about the security. Hon. gentlemen say, in reference to this stock and securities of the subsidiary and constituent companies: We are placing all that security in the hands of the Canadian Northern railway and making that company the proprietors of the stock in the subsidiary companies. That is true. Then the Government take another step and they say: We will hold for our own, forever, four-tenths of the stock of the Canadian Northern railway. Consequently this Government now, if these resolutions become law, will own four-tenths of all the stock in the subsidiary companies, and then they say: We are taking a mortgage on our own property to secure ourselves. Owning four-tenths of the Canadian Northern Railway stock means that they own four-tenths of all the property of the Canadian Northern railway, which includes the stock of these subsidiary companies. Now they are putting a mortgage, and calling it security, on four-tenths of the stock of the subsidiary companies, which stock is the property of the Government under the statute. They are not getting any security at all, they are counting

it twice. They say: We own four-tenths of the stock of the Canadian Northern railway and four-tenths of the stock of the subsidiary companies, so that we are taking that stock as our own; and in the next paragraph they are taking the credit for putting a mortgage on the very stock which they say belongs to the Canadian Government. So far as the stock of the subsidiary companies is concerned, that is wiped out because the Government will own it anyway and they cannot possibly add to the security by taking a mortgage on their own property. As to the stock, I was glad to hear the hon. member for Centre Toronto to-day admit that the capital stock was not limited to $100,000,000 but could be made $125,000,000 under the statute. $100,000,000 is the amount named for capital stock. The provision that allows the company to issue $25,000,000 additional capital stock, to be exchanged for debenture stock, does not add, it is true, to the liability of the company; it is merely an exchange of securities. But it does add to the capital stock of the company and does change the balance of control as between the parties holding the stock, because those who now hold debenture stock will, if the exchange is made, hold $25,000,000 of the common stock, and instead of the Government of Canada owning 40 per cent they will only own $40,000,000 of that $125,000,000 when it comes to controlling the company; and should the time come for taking over the control by the purchases of stock, the Government will have to take that into consideration. I am not arguing as to the difference that it will make in the liabilities because, as I have said, we all understand that it is only a change in the name of the liability from debenture stock to capital stock; but it does make a difference in the balance of control, so far as the stock of the company is concerned. Hon. gentlemen must not become impressed with the idea, as the press seems to have been, that the Government are taking four-tenths of the stock of the Canadian Northern railway. They are not getting four-tenths of the stock if this other $25,000,000 is issued which the company is given the right to issue under the resolutions now before the House.

We have been told that the Government, under this resolution, are getting $40,000,000 of stock. That is not correct. The Government, under this resolution, are getting $33,000,000 of stock, because last year, under a statute, the Government got $7,000,000 in connection with a subsidy. That $7,000,000 must be added to the $33,000,000 to make the $40,000,000, so that under this resolution let us remember that the Government are getting $33,000,000 of stock and, in order to get that $33,000,000 of stock from Messrs. Mackenzie and Mann, they are giving them $23,000,000 in the first place and then taking it back and $10,000,000 more with it. You ask me how that is. Well, if you have read the resolution carefully you will have discovered, that in exchange for Mackenzie and Mann, representing the subsidiary companies, handing over to the Canadian Northern railway the stock of these companies in their possession, to be part of the Canadian Northern system on which a mortgage can be placed, they are getting $23,000,000 of Canadian Northern Railway stock. In the face of the fact that the Government are becoming a live partner with the Canadian Northern railway, I think the Canadian Northern Railway is making a mighty good bargain in making the trade. But the Government give them $23,000,000 and then take it back and $10,000,000 more with it. So, to make it clear, we are getting $33,000,000, $23,000,000 of which is given to Messrs. Mackenzie and Mann and outside of that nearly-a-gift to Mackenzie and Mann, we are getting $10,000,000 in connection with these resolutions. We are told that we are getting, in addition, running rights over the Canadian Northern railway and a traffic arrangement. The running rights over the Canadian Northern railway may be of some benefit, or they may be of little benefit. My remarks as applied to the running rights of the Canadian Northern railway over the Intercolonial railway will apply with the same force to the running rights of the Intercolonial railway over the Canadian Northern railway. It makes all the difference in the world what the arrangement is, what the distance is. But for every train that is put on for a long distance, local traffic must be given to the lessee, or else they cannot do business, and that will decrease the traffic of the parent company unless traffic increases very materially.

I come to the traffic arrangement. I am not sure whether it was the Prime Minister or the Solicitor General who spoke of the traffic arrangement—and rightly so—as quite a concession. Of course, I am very humble and modest, but as a matter of fact, under the statute of 1911 the Canadian

Northern railway was compelled to make an arrangement for exchange of traffic with the Intercolonial railway whenever the Government should demand it. Chapter 6 of the Statutes of 1911, subsection (b) of section 14, reads:

> On the request of the Government, to make arrangements with the Intercolonial railway for the interchange of traffic between the company and the Intercolonial railway at Montreal, for such period as the Governor in Council determines, and upon such terms as are agreed upon between the parties, and if the parties fail to agree, the terms shall be fixed by the Board of Railway Commissioners for Canada.

After a great deal of discussion with the owners of the Canadian Northern railway, this clause was inserted compelling the Canadian Northern railway, whenever the Government should demand it, to make a traffic arrangement with the Intercolonial railway subject to the Board of Railway Commissioners if the Government and the company could not agree.

Mr. PELLETIER: At Montreal.

Mr. GRAHAM: Which would make it absolutely necessary to have an interchange of traffic all along the line, because you could not very well have two or three exchanges. The reason why the statute did not provide that the Canadian Northern railway should immediately give an interchange of traffic was that there was not much traffic to interchange at that time, as the Canadian Northern railway was not completed. In the second place, there is a contract at the present time for the interchange of traffic between the Intercolonial railway and the Grand Trunk railway, which it would not be easy to break, and perhaps not desirable. The Government of that day did that, and I think the present Government will agree that the Grand Trunk railway, itself, when the Grand Trunk Pacific railway is finished, will probably want to make some arrangement to have its freight carried from Montreal to Quebec, and the eastern ports, over the Grand Trunk Pacific railway. An arrangement was made that when the Government should express a desire for a contract, the Canadian Northern railway would be compelled to exchange traffic with the Intercolonial railway. I am not finding fault with the arrangement in this respect at all, but some hon. gentlemen have expressed the view that that was forgotten in 1911. Nothing of importance was forgotten in 1911, as I will try to show my hon. friend. My hon. friend referred to another point, and that is the shipment of goods to Canadian ports. I do not agree here with the Prime Minister, who rather thought that leaving out the words 'unless otherwise routed' makes it compulsory for the Canadian Northern railway to carry the traffic to Canadian ports. That is an omission of words that makes no difference in actual practice. If I ship a bushel of grain from the West, I am the owner of that grain and I say how it is to go. I select the route. If I desire to ship it by one particular route the Canadian Northern railway cannot take my grain by any other route. They have to carry it to the designated port by the route I choose. That is what the statute of 1911 says. Every business man in the House will agree with me that a shipper has perfect control over the routeing of his goods. If I order some goods from John Brown, and send them by the Canadian Northern railway to Winnipeg, and then on by the Grand Trunk Pacific railway, do you think I am not the controller of those goods? The Canadian Northern railway must hand them over to the party whom I designate. So that leaving out the words 'unless otherwise routed' makes it read a little more smoothly but does not alter the meaning at all. Let me read the statute of 1911, and lest a wrong impression should go abroad, I want to point out that there is nothing in this that was not in the statute of 1911 when the bonds were guaranteed on the line from Port Arthur to Montreal. The statute reads:

> It is hereby declared that the aid herein provided for is granted by the Government for the express purpose of encouraging the transportation of goods through Canadian channels. Before such aid is granted the Governor in Council shall require the Canadian Northern Railway Company and the Canadian Northern Ontario Railway Company to enter into an agreement undertaking that all freight originating on the line of the Canadian Northern Railway Company or its branches, or on the line of the Canadian Northern Ontario Railway Company or its branches, not specifically routed otherwise by the shipper, shall, when destined to points in Canada be carried over the Canadian Northern railway or the Canadian Northern Ontario railway, or the connections of either of them, or over any railway within Canadian territory; 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 ports; and that the Canadian Northern Railway Company and the Canadian Northern Ontario Railway Company shall not in any matter within their powers 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 their utmost endeavours to fulfil the conditions upon which public aid is granted, namely, the development

of trade through Canadian channels and Canadian ocean ports.

Those conditions were imposed when aid was granted to the Canadian Northern in 1911, and although the wording is not exactly the same in this case, the meaning is identically the same. No railway or transportation company can take goods of mine contrary to my directions, and they are liable to a penalty if they do so. If goods be shipped without being specifically routed, it is the duty of the Canadian Northern railway, and has been ever since 1911, to take them to Canadian ports. It is the same in 1914 as it was in 1911. If the shipper routes his goods one way the Canadian Northern railway, as the carrying company, has no power to carry them by a different route. I think it was the Solicitor General who ridiculed this 1911 arrangement, saying that if we had taken the road over we would have had no terminals and consequently could not operate. I think that was the trend of his argument. I am afraid my hon friend has not read the statute. Even that was provided for, and I think when Mr. Lash was working this out he had this in his mind before he discussed it with the Solicitor General. The terminals were specifically provided for in the statute of 1911. The terminal companies were separate companies, and I say to my hon. friend and to the House that with the indebtedness against the terminal companies I did not think the second or third mortgage on them would have been any security at all. Let me read what provision we made in 1911 in case the road should come under that mortgage. Subsection c of section 14, chapter 6 of the statutes of 1911, provides:

That in the event of default, and of the consequent acquisition by the Government, or by any railway company other than the company, of the line hereby aided, neither the company nor the Canadian Northern Railway Company will oppose any application to the Board of Railway Commissioners for Canada for an order providing for the use by the Government, or by such other railway company, of terminals at Port Arthur, Ottawa, and Montreal, or either or any of them, owned or controlled by the company or by the Canadian Northern Railway Company.

So that it was provided that if the line defaulted and became the property of the Government the Canadian Northern would not oppose any application to the Board of Railway Commissioners to let either the Government or the new owner of the railway use their terminals at Montreal, Ottawa, and Port Arthur. My hon. friend says that is not as good as we have it. Why? The terminal companies are separate companies and the road now has to make arrangements with separate companies if they want to use the terminals no matter whether the stock is controlled by the same people or not. They are a separate entity and they have to make their arrangements as to what it will cost the Canadian Northern, or the Canadian Northern Ontario, to use these terminals. In the statutes of 1911 we were placing the Government, if it came into possession of the railway, in exactly the same position as the railway itself in regard to the use of these terminals.

Let me turn to some of the securities of 1911. My hon. friend rather drew a distinction between the bargain of 1911 and the proposed bargain of this year as outlined in the resolutions. Perhaps I may be blunt in my expression but I would say that there is no use of beclouding the situation with words, words, words and pages, pages, pages. The securities outlined in this resolution, to my mind, are nothing but words and sentences and do not form any real security. I would rather have a first mortgage on 500 miles of the Canadian Northern railway than all the securities that my hon. friend has gathered together in this resolution. In 1908 the Government of the day got a first mortgage on the line then aided. In the succeeding year it got, in addition to a blanket mortgage on other lines, a first mortgage on the line aided. In 1911 it did not take mortgages on stock, except in two small instances, it did not take stock that had no value, but it did take a first mortgage on the line aided and that first mortgage is worth more than the value of the full amount of this guarantee by the Government in 1911. The line from Ottawa to Port Arthur, when it is completed, will be the best part of the Canadian Northern system up to date and it will take many thousands, yes, many millions, of dollars, to bring other parts of the system up to the standard of the road between Ottawa and Port Arthur, if it is built up to the standard. When that guarantee was given there were conditions as to the standard of the road comprised in the guarantee. In the first place, heterodox as it may seem on the other side of the House, we stipulated that they must build steel and concrete bridges and that for the smaller streams they could for the time being use wooden trestles but that the Governor in Council would see that they were replaced by steel structures as soon as possible. The 'soon as possible'

has come now and we are asked to supply the money to make all these improvements and to bring the road up to standard. I am not pointing out these things about the policy in 1911 in any fractious way but I want to make it clear from the standpoint of the late Government, and from my own standpoint, as I was directly responsible, that in a first mortgage on the line from Ottawa to Port Arthur we had a far better security than is proposed now in this list of securities that has been placed before the House. In fact, there is no first mortgage on any real estate in these resolutions except a first mortgage on the

4 p.m. Brockville and Westport railway, running 45 miles from Brockville north with a 56-pound rail.

Ever since I entered this House we have been discussing the question of branch lines. I have taken the ground, sometimes disagreeing with members of the House and, I think, possibly disagreeing with some of my own friends, that it is the duty of the Government, in connection with a Government-owned road, not only to provide branch lines where they will pay, but to provide branch lines where the people have been in the country for years and require the transportation because that is the only way more people can be brought into the country. I have taken that ground. But now in this discussion one of the reasons given why these roads were not amalgamated is that some branch lines which do not pay might be cut off. That is a retrograde policy. I think the Government's duty, in dealing with this great enterprise and in announcing their policy was to declare that they would take over these branch lines whether they were paying propositions or not if the necessities of the people settled in the districts served by the lines required it. Instead of that they gave, as a reason why these roads should not be amalgamated, that if the time came to take them over, they would be in a position to cut off the lines which were not paying a profit. That announcement will not be encouraging to the settler in the East or the West and I think the Government will have to revise that policy when the Bill comes up for discussion and will have to admit that that is not the reason for the non-amalgamation, as I think it is not.

Mr. MEIGHEN: What are the reasons?

Mr. GRAHAM: My hon. friend wants to know what are the reasons?

[Mr. Graham.]

Mr. MEIGHEN: I think my hon. friend could give very good reasons himself.

Mr. GRAHAM: Possibly I could, but I was taking my hon. friend's reasons. I think he has better ones up his sleeve if he would give them. My legal knowledge is very limited, but I have grave doubts that this Government has the right to do what it is doing with this line. Two years ago, when aid was asked for the British Columbia end of the line, the Canadian Northern Pacific, I asked that the aid be given only on the condition that the provincial line would agree to come under the control of the Board of Railway Commissioners. That suggestion of mine was rejected by the Government and the reason given was that the securities had been issued for the Canadian Northern Pacific on the terms of a contract made between Mackenzie and Mann and the British Columbia Government and any interference with that arrangement now might interfere with the security of the bond holders. It would at least interfere with the terms of the contract under which the securities were issued, or which formed a basis for the issue of securities. But still the Government, which would not last year, or the year before, alter the terms of the resolution by one line, now propose to declare the British Columbia line to be a line for the general advantage of Canada and thus bring it under the jurisdiction of the Board of Railway Commissioners. Perhaps my contention is all wrong, legally, but my contention is that as between the Dominion and the province, the proper way to do that, and the only way in which it can be done, or in which it should be done, is by the provincial Government undertaking by statute to agree to this arrangement and thus to take the responsibility of protecting their own bond-holders. It might be done in that way, but I have very serious doubts if the courts would uphold, if it were carried to the Judicial Committee of the Privy Council, the right of the Dominion Government to override a contract made by the provincial Government with innocent third parties. I do not know whether the Premier of British Columbia has agreed to this proposition or not. I have no means of knowing, but if he has personally agreed that does not bind the province, it does not mean anything to the bond holder unless that agreement is substantiated by legislation passed in the Legislature of British Columbia. If no contract had been made, if no arrangement had been made, if

no guarantee had been given by the provincial Government it would not have been of very serious consequence, but here is a contract signed by Mackenzie and Mann, or one of them, signed by the British Columbia Government and ratified by the Legislature of British Columbia and to-day this Parliament is asked to override the terms of the statute and bring this line under Dominion jurisdiction without any legislation by the British Columbia Government agreeing to any such arrangement. I think there are some other provincial roads which are being brought under the jurisdiction of the Dominion; but I am just taking that one as an illustration. Let me make myself clear. I have always taken the ground that it is wise for roads that carry through traffic to be under Dominion jurisdiction, and I am not objecting on that ground; but I am firmly of the opinion that the Dominion Government will get themselves into trouble with the province of British Columbia and other provinces whose lines they are taking over, unless they get legislation confirming the taking over of these lines. In British Columbia, there is a certain board appointed to manage the rates; in the province of Alberta I think there is some machinery for controlling the rates, although I do not know what it is. The same thing applies to the provinces of Manitoba and Saskatchewan. Therefore, I believe that putting these roads under the Board of Railway Commissioners without any agreement with the provinces, may lead to a great deal of trouble and misunderstanding. If the question is raised by the provinces, what good to Messrs. Mackenzie and Mann will be the guarantee, given illegally by the Parliament of Canada, if the courts should so hold; and how will Mackenzie and Mann get the money on these guaranteed bonds if the question of legality is raised? Will that not postpone the coming into operation of this legislation should these resolutions become crystallized in the statutes until that question of law can be settled by the Judicial Committee of the Privy Council? The Government ought to consider this question before they go any further along that particular line.

You ask me what other security you would get. You have outlined some of the difficulties; you have shown what you are going to give and what you are going to get. Now what are you to do under the circumstances? In the first place, I want to point out—and I want to do it without any harsh reference, because we are discussing a question of transportation more than a question of men—that I have been told for the last two or three years without any hesitation that the profits resulting from the sale of lands in the Model city at Montreal will more than pay for the Montreal terminals. Where is that money? Now, the interests in connection with Mackenzie and Mann are the same interests that are handling that property. I have been told time and again about this; I have been taken in an automobile over the property in Montreal and have gone over it thoroughly. It is valuable property, and there must be many millions of dollars of profit. I say in all fairness that, if that development is taking place ostensibly in connection with the Canadian Northern railway and is so understood by the people of Canada, every dollar of profit made out of that investment in the Model city at Montreal ought to go into this project. Nevertheless we are asked to provide $5,000,000 or more for the terminals in the city of Montreal—and that in face of the fact that the boast has been made here and in Europe that the investment in Montreal would more than pay for the terminals.

Let me come to closer range as to my view as to what should be done. I feel perhaps I have no right to have a policy, and I am not sure that I am going to expound one now. This, however, is my own policy; it is not an opposition policy, but it is a policy in opposition to these resolutions. In the first place, I believe that something is due to Mackenzie and Mann; that these gentlemen have shown great ability, and that none of us would feel very much humiliated if we had made the success of things that Mackenzie and Mann have made. I am not going to abuse them along that line at all; but it is their ambition to have this line completed, and nobody knows that better than the Prime Minister, and I know it pretty nearly as well myself. If the road is completed, not only will it be a monument to the ability of Mackenzie and Mann, but it will mean fortunes for their families and themselves. Under these conditions, they should put every dollar of their personal property at stake for the construction of this line as those who undertook the construction of the Canadian Pacific railway did. I do not think I am asking anything unreasonable. I do not know how much money these gentlemen are worth; I am not going to dilate on their millions, and they may not have millions. But there is in the

province of Ontario a law under which the assessor asks us to make certain affidavits and statements as to our income, and there is not much opportunity of getting around that. We could do something similar in this case, without prying into matters that perhaps might be considered private affairs, and I think the gentlemen interested in this enterprise, namely, Messrs. Lash and Mackenzie and Mann, should make an affidavit as to the amount of their personal property over and above their indebtedness, and that amount ought to be risked on their part. It is not fair to ask the people of Canada to keep continually putting up money, unless the men who are as deeply interested, to put it mildly, as we are, dig down into their pockets and stake every dollar they have to put this enterprise through. The men behind the Canadian Pacific railway did so before they came to the Government asking for a loan of some thirty million dollars. I remember, as a very young man, reading the history of that great undertaking; and even if I thought the methods adopted were all wrong and should have been different from what they were at that time, I always admired the courage of those men who, before they come to the Government for aid, had pledged every dollar they were worth of their personal property, not their collective property as a company, to the banks. Therefore the first thing I would ask is that Messrs. Mackenzie, Mann and Lash, be their property great or be it small, take their share in this undertaking by pledging every dollar of personal property they have for the completion of this line, and then we shall step in and do something too. Perhaps that is a policy.

Another thing that I think is not unfair—and perhaps there will be differences of opinion in regard to it—is this: The gentlemen interested in the Canadian Northern Railway Company have worked hard, it is true. I think, however, they have had some reward. I would not like to say how much or how little, but I think they are able to pay their coal bills anyway, without pinching. But what I do say is that this is not the guarantee of two years ago or three years ago, each of which was supposed to be final. This is not the guarantee of 1913, which was supposed to be final. This is an extra circumstance under which the Government is appealed to that this project must stop unless the Government comes to its rescue, and this is over and above everything else that has been granted, which it was said at the time would complete this great undertaking. The conditions are different from those existing at any time before, because the line is approaching completion, more than half of it having been constructed. Now, the Government, the trustees of the people of Canada, have invested in this road millions of dollars. In putting up the guarantee now proposed, they get no first mortgage on real property. On the other hand, they are guaranteeing every underlying charge against the Canadian Northern Railway system, they are guaranteeing the payment practically of all the indebtedness of the Canadian Northern railway and making sure all the bonds heretofore issued on that line and by subsidiary companies. Under these circumstances, I think it is not unfair that Messrs. Mackenzie and Mann should hand over, at least for the time being, the control of this enterprise to the Government of Canada. I know there are difficulties in the way, from the Government's standpoint, of the Government taking over the controlling interest. But as I said before, the conditions are peculiar, the conditions are most exacting; and I do not believe that the people of Canada will be satisfied that at this time their credit should be again extended to the amount of $45,000,000 unless the men who represent them have a controlling voice in the expending of this money. You say to me: We will not allow a dollar to be expended unless in a manner satisfactory to us. I know the routine. This is how it runs: Certain construction takes place on one of the lines, a certain standard of construction being fixed. When this work is done, the company, whichever one it is, comes to the Government with the Government engineer's report, and on this report the money is handed over. It ought to be 'right about face' under present circumstances. The Government ought to say to the company what work is to be done, what the prices are to be and what money is to be expended before the liability is created, not after the money has been expended. That would make it stronger, that would protect the people who are expecting lines to be built in certain localities not now served by a railway. That would give the Government of Canada the right to say that these lines shall be completed before anything else is undertaken. The Government would have control before

the money is expended, instead of merely confirming each expenditure after it has been made.

But, I am told, we have a man on the board. Well, the Prime Minister, I think, will agree with me that that is not much of a safeguard—I think he will agree with me down in his heart. On the Grand Trunk Pacific they had a board with a Government representative. I have not seen his report for a year or two, but I know that under the old Government there was a man on the board. Well, one man does not form a majority by a great deal. I say without any fear of contradiction that the value to the country of having one man on this board will be absolutely nil so far as the protection of the people of Canada is concerned. The Government has a responsibility, a heavy responsibility. If we are going to give this money or guarantee these bonds, the Government ought to have an amount at least equal to what added to their own will form a majority, placed in the hands of trustees, to be automatically handed over to give them control at any moment they like—they ought to have at least that. My contention is that the Government ought to insist on control until the work is completed and the operation of the Canadian Northern railway begun from ocean to ocean. But I am not unreasonable, I am not an extremist; and if the Government thought it wise to put in a provision that when that time arrived that portion which they took to give them control should be disposed of in some other way, I should not object. But, for the present, with the financial condition as it is, when there are attacks on these great undertakings in Canada, when the work is near completion, when we are in the particular condition in which we now are, the people of Canada will not be satisfied to give $45,000,000 more of their money to this enterprise unless the people who pay shall control absolutely and directly every dollar of that money.

I think I have made myself clear, but to recapitulate. In the first place, to my mind, the Government has no security, in a practical sense, no security whatever.

In the second place, if they are going to give the money, they might better borrow it and hand it over direct, because they can borrow at a cheaper rate than any company, even with the Government guarantee. This would save millions, and would mean a great deal at this time.

In the third place, I think that before the resolutions go further the Government ought to have a clause inserted that Mackenzie, Mann, Lash, or whoever are the stockholders or beneficiaries of these companies, ought to pledge every dollar of their personal property in this undertaking.

Fourth, the Government is not justified in granting aid to the Canadian Northern railway, unless they get control, at least until such time as the enterprise is placed on its feet and the road is in operation.

Mr. J. J. CARRICK (Thunder Bay and Rainy River): Mr. Speaker, I wish to speak of this question not only from the standpoint of the district which I have the honour to represent, but from the larger and more important standpoint of its relation to the Dominion. As the hon. member for South Renfrew (Mr. Graham) said, the problem of railway transportation has been one of the most important questions in Canada since Confederation. In fact, through railways Confederation was made possible and without railways the United Canada that we are so proud of to-day would be only a dream. The Intercolonial united Nova Scotia and New Brunswick with Upper and Lower Canada and its earlier history is replete with the difficulties and hardships of pioneer railway development. Then came the Canadian Pacific project which was for years the all-absorbing political and administrative problem of the time. What other question in Canada has engaged public attention so long? The Government initiated and inaugurated the policy of building the Canadian Pacific railway. Elections were fought and won over this issue alone. It was turned over to a private company which became financially embarrassed and would have failed and gone into liquidation had not the Government of Canada come to its rescue with cash loans and subsidies. And to-day the question of paramount importance throughout Canada is the Grand Trunk Pacific and Canadian Northern railways. The former we must save and protect, but what are we going to do with the latter?

It may be stated that I am interested. Of course I am interested, and so is everyone in the constituency that I have the honour to represent. If it were not for Mackenzie and Mann and the Canadian Northern railway we would have no Port Arthur as we have it to-day. Only a few years ago Port Arthur was a small hamlet consisting of a mere handful of people and known as Prince Arthur's Landing. It had the

In the third place, I think that before

honour of being named after our distinguished Royal Governor General. Railroad construction and development was undertaken and as a direct consequent result we have to-day in the adjoining cities of Port Arthur and Fort William a population of fifty thousand as industrious and prosperous citizens as are to be found in Canada.

If it were not for the railways we would have no Port Arthur or Fort William. The Canadian Pacific railway—the greatest railway system in the world—a national undertaking that we are all proud of—has converted a wilderness into the thriving city of Fort William. The Canadian Pacific railway originally had its lake terminals at Port Arthur, but on account of a dispute with the town officials, who held up an engine for arrears in taxes, it moved its terminals to Fort William, and Sir William Van Horne said that he would make the grass grow in the streets of Port Arthur. The grass did grow in the streets of Port Arthur. Mackenzie and Mann came along and mowed it down; built their railway, and transformed Prince Arthur's Landing into a busy commercial and industrial city which, on account of its geographical location at the head of Canadian navigation—the silvery gateway of the golden West—is destined, especially under this enterprising Government's policy of fostering the iron and steel industry, to be the Chicago of western Canada.

Not only are the citizens of the cities of Port Arthur and Fort William interested in this matter, but the farmers and settlers as well of the surrounding districts are interested. The Canadian Northern railway has opened up and developed the whole Rainy River district. According to Mr. Whitson, Ontario's Good Roads Commissioner, its line traverses the most fertile section of the province of Ontario. Railway development is producing for that district the same beneficial results as were claimed for it in the British House of Commons in 1854, when it was stated that the essence of a railway system is to increase its own traffic, adding twenty-five per cent to the value of every farm within fifty miles of the track; doubling the value of those near the track and quadrupling the value of the farms in the district through which it passes. Interest in this matter is not merely local; it applies not only to Port Arthur and Fort William, but to all the cities and towns which are tributary to this great national highway. It applies more or less to every part of the Dominion of Canada. Not only are we interested as individuals; we are interested collectively, for the provinces, from Quebec to British Columbia, have all guaranteed the bonds of the Canadian Northern railway. The credit of thousands of individual citizens, the credit of the provinces and the credit of the Dominion is so interwoven with the Canadian Northern railway that the proper solution of the problems affecting its completion is a question of paramount importance to all Canadians.

For many years it has been fully realized and appreciated that railway construction is necessary to the development of Canada. It was an important condition of Confederation that the Intercolonial railway should be built to unite Upper and Lower Canada with Nova Scotia and New Brunswick. British Columbia made it a condition of its entry into Confederation that a line of railway should be built to the coast, and the importance of railway construction was so very forcibly impressed upon the British House of Commons that they guaranteed the bonds of the Intercolonial to the extent of $15,000,000. It has been the long-accepted policy of all political parties and of Canadian Governments to assist and foster railway development. The Conservative party jealously takes credit for the Canadian Pacific railway and the Liberal party for the Grand Trunk Pacific railway, but until this resolution was introduced, no one seemed to want to father the Canadian Northern railway. It is true that this road was conceived and born under the Liberal regime; it is the elder brother of the Grand Trunk Pacific railway, but the laws of primogeniture did not prevail, and the Grand Trunk Pacific railway, with its aristocratic godfather living in London, was the younger and favoured son and received the blessing and inheritance of the Liberal chieftain, while the less fortunate brother was left to struggle alone in a cold, hard world. That is why the newspapers sometimes refer to Bill and Dan as Canada's two lone orphans. As I said, it has long been the policy of the Canadian Government to foster and stimulate railway development, because Canada's prosperity is intertwined with its network of railways, and through its arteries pulsates the industrial life of our commercial existence.

Why not assist in the completion of this great national enterprise at the present time? Have Messrs. Mackenzie and Mann used the funds which they have procured

through the sale of their debentures for the construction of the road, or have they diverted the money to other purposes? Have they devoted the Canadian Northern railway funds to Mexican, Brazilian or street railway purposes? Have they used the credit of Canada and the credit of the provinces for their own personal emolument? Have they made large fortunes for themselves out of the proceeds of railway issues? These, Mr. Speaker, are questions which the public want answered. Messrs. Mackenzie and Mann have presented a full statement to the Government. The Government have appointed, I understand, a committee of the Cabinet to investigate the matter fully. The Government have asked their railway experts, under the able guidance of Mr. Gutelius, to conduct an investigation. The legal part of the matter was entrusted to the hon. Solicitor General, and I think we are all proud of the agreement which he has made. Expert accountants and auditors have been sent to Toronto to look into the books, and what do they find? They find that every dollar that has been raised by the debenture issues guaranteed by the provinces and the Dominion has gone into the construction of the road and that not one single dollar of Canadian Northern railway funds has gone into Mexican, Brazilian or street railway operations. They find further that nearly $100,000,000 not guaranteed by the provinces and the Dominion has all gone into the construction of this railway, and they find that Sir William Mackenzie and Sir Donald Mann have not taken for their services the money to which they are justly entitled. According to the affidavit recently made by Mr. A. J. Mitchell, comptroller of the company, since the road assumed the proportions of a transcontinental system, Messrs. Mackenzie and Mann have taken no profits out of the company, save and except certain common stock. What else do they find? They find that these men devoted their own personal resources and their own assets to the building of this road; that they turned over to the company 4,000,000 acres of land grants which they secured in respect of the Lake Manitoba Railway and Canal Company, the Manitoba and Southeastern Railway Company, and the Winnipeg and Hudson Bay Railway Company, which under the terms of the charters became their own personal property upon completion of the railways. Part of these lands have already been sold for $17,000,000, and the remainder is worth, at the prevailing price of adjoining lands, $13,000,000. This money, to which the contractors were personally entitled, has now become part of and is included in the assets of the Canadian Northern railway. They turned their lands and the proceeds of sales over to the railway company without receiving a single dollar in return, and they also turned over a great number of other assets which belonged to the Mackenzie and Mann Company, such as transport contracts, Lake Superior terminals at Port Arthur, elevators, docks, holdings of the Canadian Northern Telegraph Company, the Canadian Northern Express Company, the Qu'Appelle, Long Lake Railway Company, the Duluth, Winnipeg and Pacific Railway Company, the Port Arthur, Duluth and Western Railway Company, and the St. Boniface and Western Land Company. According to the statement presented, these assets are worth $50,000,000. What did they receive for these cash assets? They received common stock, which is not worth one dollar unless the railway is a success. Does this look as if the object of Sir William Mackenzie and Sir Donald Mann was to exploit railroad building in Canada, to exploit the credit of the provinces and to exploit the credit of the Dominion for their own personal gain? No, Mr. Speaker; if their object had been personal gain and personal emolument they would not have turned over to the Canadian Northern Railway Company millions of dollars in land grants, transport contracts, elevators and telegraph and express companies. No, Mr. Speaker; they have a higher and a worthier ambition; not an inordinate ambition for personal gain or personal enrichment, but an ambition as Canadian-born citizens to develop Canada and to leave behind them a monument that will transmit their memory to posterity and redound to the credit of Canada. Small minds cannot appreciate high motives, but, let me ask whether Sir John A. Macdonald devoted a life to service to Canada for personal gain? Has the right hon. leader of the Opposition devoted forty years of his life to Canada for personal emolument? Is the present Prime Minister devoting every energy, every ability, and every faculty with which he is endowed to the service of his country for the sake of personal gain? Is there not a loftier, higher and nobler ambition among our great men? Sir, there is, and as Canadians we are proud to acknowledge it. Our public men of to-day are just as capable of disinterested endeavours, noble conceptions and self-sacrifices as

were the splendid characters that adorn the pages of our history. Let us not be ungenerous in the motives we assign to two of our greatest Canadians, Sir William Mackenzie and Sir Donald Mann.

Who are the detractors of these two distinguished Canadians? I am very sorry for the hon. member for Calgary (Mr. Bennett), and I regret that he is not in his seat that I might express my personal sympathy with him in his unfortunate position. Disappointment in politics is somethng like disappointment in love: it is liable to embitter the sweetest and most amiable disposition and turn the vials of wrath upon one's own party and associates. At the present time the province of Alberta has no representative in the Cabinet, which is a bitter disappointment to the would-be Cabinet minister from Calgary. One could see by his speech in the House that bitter jealousy animated his personal attitude towards the Solicitor General, because he himself was anxious for that position. What a source of strength he would have been to the Cabinet!

He said, two or three weeks ago, that when he made his speech in the Commons, the Government dare not give any assistance of the Canadian Northern railway; the stampede would be transferred from Calgary to Ottawa and the bucking broncho would kick down all the Government bars and create consternation in the camp. The words of the dramatist are very appropriate when he says:

> But man, proud man!
> Drest in a little brief authority,
> Plays such fantastic tricks before high Heaven
> As make the angels weep.

It is the irony of fate that we should be sent down here to follow Mr. Borden and not a bucking broncho from the West. What an anomalous position for the hon. gentleman to fulfil, to be a back-bencher with would-be Cabinet aspirations, and how amazing it is that the Government has been able to get on without such a great railway authority, the greatest living railway expert out of captivity. Here the dramatist again describes him:

> What a piece of work man is! how noble in reason! how infinite in faculty, in form and moving how express and admirable! in action how like an angel! in apprehension how like a god!

I understand that there has been a new party formed called the Bull Moose party; that the hon. member for Calgary (Mr. Bennett) is the leader, the hon. member for Kingston (Mr. Nickle) the first lieutenant. I understand that the hon. member for Prince Edward (Mr. Hepburn) was unanimously elected chief whip of the Bull Moose party; but after full consideration and much talk he declined the honour, deciding that it would be better to remain a barnacle on the good old ship of state. Like Horatius of old, Theodore the Second then cried:

> Who will stand on my left hand
> And keep the bridge with me?

And up stepped Don Quixote, the hon. member for Brandon (Mr. Aikins), but, after taking a good look at the Government forces, he decided that discretion was the better part of valour; whereupon he purchased a ticket to parts unknown, sanctimoniously remarking to his three associates in caucus assembled:

> He who fights and runs away
> May live to fight another day.

What is the business side of the proposition? The Toronto Globe discussed it editorially, and said that it was quite natural that the competing companies did not want the Government to assist the Canadian Northern railway. It also stated that the Canadian Northern railway, whilst yet an uncompleted road, had saved the farmers of this country on grain shipments alone $17,000,000 by the reduction of freight rates, and had saved to the shippers of the Dominion of Canada a total of $50,000,000. Part of this editorial was read this morning by the hon. member for Centre Toronto (Mr. Bristol), but another part was not; so I will read the entire editorial. It is as follows:

> The suggestion that opponents of the Canadian Northern railway raid on Ottawa are 'playing the game' of the Canadian Pacific railway is most unworthy. The Canadian Pacific railway is playing its own game openly and above board. The Canadian Northern railway promises to become a powerful rival of the original transcontinental. It may prove a much more effective competitor than it otherwise could hope to be if the Government of Canada continues to provide the money or pledge the credit of the people for its completion and up-to-date equipment. Were any other shrewd business man in Sir Thomas Shaughnessy's place he would probably protest as vigorously as the president of the Canadian Pacific against further aid to the Canadian Northern railway.
>
> Sir Thomas is actuated by an intelligent selfishness and conveniently forgets that the Canadian Pacific railway during the construction stage usually paid dividends upon the common stock out of moneys that should have gone to construction; that the North American Construction Company, composed of directors and officials, occupied the position of favoured con-

tractors in Canadian Pacific railway construction, just as Mackenzie and Mann and the Northern Construction Company do for the Canadian Northern railway; and that in land grants, direct aid, completed track handed over, and other forms of help, the Canadian Pacific railway was endowed by the people of Canada as no railway ever was before or has been since.

The Canadian Northern railway has a part to play, and no insignificant part, in the development of Canada. It has already been of value in providing lower passenger and freight rates over wide sections in the prairies that were not obtainable under monopoly conditions. Railway experts state that ninety per cent of these reductions originated on Canadian Northern lines during the past ten years. The reductions in the grain rates from stations in Manitoba, Saskatchewan and Alberta to lake Superior by Canadian Northern railway in 1903 and followed by the Canadian Pacific railway represent a saving to the farmers on the crops of 1903 to 1913, both inclusive, of $17,000,000, or four per cent on nearly $39,000,000 per year. And this is not all. There were large reductions in the rates from Port Arthur and Fort William not only to stations in Manitoba, but to Saskatchewan and Alberta, and the Canadian Pacific also had to reduce its rates. There were substantial reductions in the rates on coal from Port Arthur and lumber from various points. There was a reduction of 15 per cent in the local rates in Manitoba and 7½ per cent in Saskatchewan and Alberta. It would be difficult to compute the amount of the reductions made by the Canadian Northern railway and forced on the Canadian Pacific railway, but outside of the reductions of $17,000,000 on grain to lake Superior, the saving in the rates on freight from eastern Canada and the United States and locally between provincial and interprovincial points would be twice, possibly even three times, the sum mentioned. In over twenty years the only reductions in the grain rates to Fort William made by the Canadian Pacific were those made under the Crowsnest Pass agreement in 1898 and 1899 (three cents per 100 pounds), and the reduction forced on it by the Canadian Northern railway in 1903. The rates on grain and flour from stations on the Canadian Pacific railway in Saskatchewan and Alberta are higher to-day than twenty years ago.

It is argued that the West would be just as well off with one strong road like the Canadian Pacific railway as with competing lame ducks that cannot compete because of overcapitalization or poor physical condition. The facts represented above prove this to be specious fallacy. The Canadian Northern railway and Grand Trunk Pacific have a great work to do in the West and no one desires to see either of them so financially hampered as to be forced to the wall or sold out to the Canadian Pacific railway.

Here we have a reduction of $17,000,000 to the farmers alone by the building of the Canadian Northern railway and a total saving of $50,000,000 to the shippers of Canada. Is this not a vital, tangible, business reason why the completion of this road is a question of paramount importance to all Canadians?

Then, why should it be necessary for the Government to guarantee the bonds of the Canadian Northern railway? We all know that during the past two years, because of wars, social unrest and general economic conditions there has been a financial stringency and money has been difficult to get. A bond guarantee not only makes it possible to get the money, but enables the borrowers to get it at a lower rate of interest; and here is where the Government have a direct responsibility. The lower the rate of interest the lower the cost of construction, and the lower the traffic rates which it will be possible to charge. The acting Minister of Railways emphasized this point in a discussion not long ago, when he quoted Mr. F. W. Tye as saying that the actual cost of handling traffic is the cost of operation plus the fixed charges. A railway can handle the traffic at the least sum when operating expenses and fixed charges are the least, and any increase in fixed charges which does not result in a corresponding decrease in operating expenses is an additional burden for the road to carry and means added freight rates. Money can be obtained more easily under Government guarantee for the construction of railways, and that means a lower freight rate. Then surely, as our railroads are common carriers and public servants and are under the control of the Government through the Dominion Railway Board, and as money can be obtained most cheaply by a bond guarantee, it should be the first aim and desire of this Government to lend assistance not only to procure this money in time of need, but to procure it as low a rate of interest as possible.

What would happen if the Government did not lend its credit now as it has done in the past to all the railways in Canada? Would it not mean that construction would stop, and perhaps the company default in its debenture interest payments? What a far-reaching, disastrous effect this would have upon Canada! In what position would it place some of the financial institutions that have helped finance the railway? What effect would it have on the contractors, the labourers, the merchants, throughout Canada? What effect would it have upon the source of money supply from the old country upon which we are entirely dependent? Mr. Speaker, the dark side of the picture is too gloomy for contemplation; whereas with Government assistance at the present time the road will be completed; it will be put on a paying basis, and in a few years

will become one of the great national highways of Canada.

Ever since Confederation there has been a popular demand for railways. The different provinces have been eager for colonization roads to open up and develop their respective provinces. They have been vying with each other for railway development. Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia have all given subsidies or bond guarantees to the Canadian Northern railway, and the Dominion Government has given both. They did not give assistance simply to satisfy a whim of Mackenzie and Mann to build railways. They gave assistance because the people wanted and demanded railways. The provinces asked and solicited Mackenzie and Mann to build through districts where it will be years before the returns are commensurate with the investment. They have built through my constituency from Port Arthur to Sudbury, a distance of 500 miles. The line traverses the great clay belt of New Ontario, consisting of sixteen million acres of as fertile agricultural land as can be found in Canada; but which according to Ontario's Commission of 1900 is a territory larger than the states of Massachusetts, Connecticut, Rhode Island, New Jersey and Delaware combined, and nearly all of which is well adapted for cultivation, with a climate not much different from that of the province of Manitoba. The territory possesses an abundance of wood for fuel, building and commercial purposes, and many falls on the rivers and streams, which may be used with advantage in the creation of electrical energy when the country comes to be opened up.

The Ontario Government Commissioners estimated that in the district of Nipissing there were at least twenty million cords of pulpwood; in Algoma, one hundred million; and the Thunder Bay, one hundred and fifty million; a total of two hundred and seventy million cords of pulpwood. In addition there is a very considerable quantity of merchantable pine timber.

The district immediately adjoining Sudbury contains the largest known deposits of nickle, and is to-day the world's centre of the nickle industry. There are many millions of tons of iron ore deposits in this northern country. We have heard for years and years of the great undeveloped resources of Canada and this phrase has a very pleasing sound; but Canadians cannot afford to live much longer with the charge that they have great undeveloped resources. That which was once a boast has become almost a reflection on our national character. The Government of Canada has a trust to perform and that trust lies in the development of our natural resources, and the first step towards development is transportation. This great clay belt belongs to the people of Canada. Without railway facilities, it is of very little value; with railways, it is worth millions of dollars. There is no settlement in this district yet; no local traffic to help pay the interest on the bonds. But, in a few years, this great agricultural clay belt will be settled with prosperous farmers; towns will spring up and the products of the farm will be exchanged for the wares of the artisan to the mutual advantage of both. In the meantime Mackenzie and Mann have built the railway and are carrying the burden, while the benefit of opening up the country and the enhancement in the value of the land inures to the credit of the people of Canada. Surely none of the provinces, or the Dominion, will take the position that they granted assistance simply at the solicitation of Mackenzie and Mann. They gave assistance at the solicitation and demand of the people to open up the country and provide railway facilities; and in the present application of Mackenzie and Mann this should receive every consideration.

What about the physical character of the Canadian Northern railway? Has it a good road bed? Is it well constructed? It is very difficult to compare railway systems from the standpoint of cost and expenditure. This has been amply demonstrated in the recent lengthy debate on the Grand Trunk Pacific railway when numerous figures were given showing comparative costs of different systems. Date of construction, nature of territory, wages paid, rate of interest and general economic conditions, are all contributing factors in computing cost. Without giving interminable figures I think it can be readily shown that the Canadian Northern Railway system has cost less per mile than any other system in Canada; and at the same time, in order to receive the subsidies, it has been built to the very high standard required by Dominion Government specifications. What does this mean to Canada? It means, if cost of construction is a factor in determining tariff rates, that the Canadian Northern railway when completed will be instrumental in reducing rates throughout Canada; and according to the Globe this railway, while yet uncompleted, has already reduced rates and saved

the farmers of western Canada $17,000,000 on grain alone, and a total of $50,000,000 to the shippers of Canada in the last ten years.

Last year I travelled over the Canadian Northern railway from Port Arthur to Winnipeg, a distance of 438 miles, and our running time for the whole distance averaged over fifty miles an hour. This rate could not be maintained over a poorly constructed line, and I think the roadbed and equipment can compare favourably with any other road in western Canada. Mr. Angus Sinclair, who is a well known civil engineer and contractor and familiar with the whole Canadian Northern system says:

> When the system is completed, with its easy grades and curvatures, its completely new equipment, and its high standard of construction, it will be without exception the finest railway in America.

When Sir Richard McBride was in Ottawa recently he stated in an interview that there is no better road in the whole of British Columbia.

The Canadian Northern railway crosses the Rocky mountains through the Yellowhead pass at the lowest grade line on the American continent. The Union Pacific crosses the Rocky mountains at a height of 8,000 feet, with a grade of 2½ per cent; the Northern Pacific at 7,000 feet; the Great Northern at 6,000 feet; the Canadian Pacific main line at 5,300 feet; the Canadian Pacific Crow's Nest Pass line at 4,300 feet; the Canadian Northern at 3,700 feet. The Canadian Pacific maximum grade through the Rockies is 2.2 per cent; the Great Northern 2 per cent; the Grand Trunk Pacific 1 per cent, and the Canadian Northern 7-10th of 1 per cent. So the Canadian Northern crosses the Rockies at the lowest and best grade on the whole American continent, and thus has a great advantage over competing systems.

What is the nature of the country that the Canadian Northern traverses? Mr. S. J. McLean, railway commissioner, in his article on national highways, says that the Canadian Northern is built through the most fertile wheat sections in western Canada, and this fact is amply demonstrated by last year's statistics, which show that it carried nearly one-third of the grain shipped from the West to the lake ports of Port Arthur and Fort William.

Mr. Speaker, I think Mackenzie and Mann are entitled to the earnest consideration of this Government. During the past twenty years they have been one of the greatest factors in the development and prosperity of Canada. They have brought to Canada, and expended in Canadian development, over three hundred millions of dollars. They have built railroads and colonization branches at the request and solicitation of the provinces and the Dominion. They have given employment, directly and indirectly, to hundreds of thousands of Canadian citizens. Their monthly pay roll runs into millions of dollars. They have saved the people of Canada in freight rates in the past ten years $50,000,000. Where can we find two other Canadians with such a record? They are the greatest all-star team that has ever been produced in Canada. One is a past master in the art of finance; the other a past master in the art of construction. I happened to be in the old country last year when they were on their annual quest for money. Times were very hard and money difficult to secure. A Canadian, Sir Max Aitken, expressed the general feeling in England when he said it was most important to Canada for Sir William to get money for the Canadian Northern. Leading British financiers said he could not get it; but he did get it, and then they said no man could have got it but Sir William Mackenzie. No man in London has the confidence of the financial interests to a greater degree, because he has always faithfully and honourably discharged all his obligations and every time they exchange their gold for his securities they give him another certificate of sterling integrity and honour of which the Canadian people should be proud.

And, Mr. Speaker, the characteristic traits as exemplified in our two distinguished Canadians—power of initiative, capacity for work, sterling integrity and character—constitute the most precious heritage of any people; and I am firmly convinced that it is this asset, intangible if you will, that has placed Canada in the position she occupies among civilized nations. For, in the last analysis, it is not wealth, natural resources, material things, that make a nation, but it is the virility and national characteristic traits of the men born and bred in a country that, in the final court of appeal, determine its status. Capacity and character must be fostered and stimulated before our natural resources can be developed and great achievements accomplished.

In conclusion, I believe it will greatly redound to the credit of Canada to enable Mackenzie and Mann to finish their railway

system. They are Canadian born citizens who are building for the benefit of Canada, and it is truly stated in the preamble of their charter that the work is for the general advantage of Canada. It is Canada, not Mackenzie and Mann, that gains or loses by any assistance the Government may or may not give. They have not sought their own personal gain and emolument, by withholding land grants, elevators, townsites, but have a higher and nobler ambition, and any assistance we can give at the present time will redound to the credit of this Government and the people of Canada as it redounded to the credit of Canada under Sir John A. Macdonald's Government when he came to the rescue of the Canadian Pacific railway and enabled that company to complete its road. Mr. Speaker, I congratulate this Government upon rising to the occasion, protecting the fair name and credit of Canada and helping complete this great national highway.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, my hon. friend who has just sat down (Mr. Carrick) is always listened to with pleasure on the all too rare occasions upon which he addresses the House. His enthusiasm for this proposition is natural and genuine, but I am free to say that I think the conditions under which my hon. friend approached this subject are such that he can hardly be said to apply to its consideration that keen business judgment which is usually inseparable from him in other matters. We are in a peculiar position in the consideration of this measure. We have had the spectacle, within the last two days, of two of the cleverest young public men in this country supporting the Government, openly declaring that upon a very fundamental and important proposition, the legislation submitted by the Government to the House, they are unable to support that Government and that they have decided to vote against the proposition. Differences in regard to public matters may sometimes exist under the system of party government, but it has rarely occurred in the history of this Parliament that men possessing the integrity and occupying a position in which they can be said to be absolutely disinterested in their view, have broken away from all those ties that have carried them along in life hitherto and have taken a position of antagonism to everything with which they have up to the present time been associated. The indictment which these hon. gentlemen presented to this House, in giving the reasons why this measure should not receive the support of this Parliament and of the country, were of such serious and grave import that I submit that this Government cannot disregard them, that this House cannot fail to direct attention to them, and that the country will be awakened by so serious a proposition as that which the Government are submitting to Parliament at the present time.

5 p.m. When we have such a situation in regard to the matter as is presented in reference to this Canadian Northern Railway proposition, in view of the history which is familiar to every one of us, in view of the events of last year when gentlemen representing the Canadian Northern railway came to the Prime Minister of the country and said to him: If you will only give us $15,000,000 we can complete this third transcontinental railway; when the Prime Minister of this country, on the faith of that statement, stood up in this House and justified to his friends and to the country a presentation of this measure to Parliament by the statement made by such an authority that the great railway would be completed if this aid were given; when we find that that statement was absolutely and unqualifiedly untrue, we have a condition that warrants the strong language which was adopted in this House by the two hon. gentlemen supporting this Government to whom I have referred. But when you have the hon. the Finance Minister (Mr. White), as he did last year, disregarding all the appeals which were made to him from this side of the House to stop and investigate the financial position of the Canadian Northern Railway Company, to make an inquiry into their assets, their liabilities, and their standing in Canada and elsewhere before he purchased $7,000,000 of their stock and paid them $15,000,000 of Canadian money therefor, when you find the Minister of Finance absolutely disregarding all these entreaties and stating that, as he had been informed, if the aid that was then proposed was given, the whole system would be completed by the year 1914, and when we find in one short year afterwards these two hon. gentlemen coming back to this House to admit that they were deceived, to admit that they should have investigated, to admit that they should have gone into the situation of the Canadian Northern railway with the greatest possible care and exactitude last year, and that because they did not do so the Government, the House and the country were deceived, you, Sir,

will agree with me that when these gentlemen come back to this House and ask us to go into a partnership with the men and with the enterprise which indulged in, that fraudulent misrepresentation, to use the language of my hon. friend from Calgary (Mr. Bennett), we have a curious spectacle indeed. As to the deceit, there can be no question. My hon. friend from Montreal, St. Antoine (Mr. Ames), who is the amicus curiae, the man outside but still within the confidence of the right hon. gentleman (Mr. Borden), who leads this House, to whom has been committed some of the influence possessed by hon. gentlemen who have seats in the Cabinet, who, from time to time on important questions, gives the House his suggestions as to what our friends opposite would do, and which he has always done since this Government came into office, said yesterday in the apology —not the argument—which he presented in regard to this measure, and it is as well that we should recall it, because it was language of great significance:

> Those of us who remember the legislation of last session, when we were given to understand that the aid then advanced would mean the completion of the road and that nothing further would be demanded, while we feel that those who made those representations in this House were sincere in believing that the evidence laid before them was in accordance with the facts, cannot help feeling that to some extent they were deceived, and purposly deceived,—

Mark the significance of the language.

> —and that this House acted on a supposition which further events have shown to be unfounded. Therefore, we cannot altogether get away from a feeling of annoyance at the way in which we were treated.

The mild and gentle member for St. Antoine, strong and faithful party man as he is, mustered up sufficient courage in his apology for this measure to suggest that we could not help getting a little bit annoyed over this deception. Is the House to be content simply with this mild expression of annoyance? When we are proposing to form a positive and lasting partnership with the Canadian Northern railway, under which we bind ourselves, if not in a bond, yet in absolute reality to furnish all the finances that this company will require to complete this enterprise, are we to content ourselves with being somewhat annoyed at being deceived; or is my hon. friend from Calgary (Mr. Bennett) right when he declares that, before Parliament enters into a partnership with these gentlemen, there should be a full and complete investigation into all the circumstances connected with this enterprise, so that we may find out why that misrepresentation was made last year.

I am sure the House was struck with the fact—and the country is not aware of it yet —that, when Mackenzie and Mann came to this Government with the stock for which they paid $210 for every $100 last year, instead of giving to the Government of this country $7,000,000 out of the $70,000,000 worth of stock that was supposed to have been issued, they proceeded to issue $7,000,000 more stock. To use the somewhat extreme language of my hon. friend from Calgary, they started a printing press and rolled off $7,000,000 more stock, and gave it to the unsuspecting Minister of Finance, who did not know that he was getting this new stock that was being issued to him, but who thought, in all his childish innocence, that he was getting $7,000,000 out of the $70,000,000. Not until the autumn did he discover that he had been sold like a child by these great financiers, who had buncoed him by giving him this $7,000,000 worth of stock which was never issued until they ran it in the printing press.

My hon. friend the Minister of Finance is asking this Parliament to reimburse the men who invested in the Farmers Bank certain sums of money as deposits, alleging an error in judgment on the part of the previous Minister of Finance. I venture to say there has never been a Minister of Finance since Confederation who has been guilty of such gross negligence and disregard of the interest of Canada as the present Minister of Finance was when he allowed himself to be deceived by these people last year, and when he allowed them to palm off on him this $7,000,000 worth of stock that never existed until the printing press was started once more. Is it any wonder that my hon. friend from St. Antoine is somewhat annoyed? Is it any wonder that even he, while he cannot permit himself to take the stern position which his friends from Calgary and Kingston have taken, is bound to express dissatisfaction with such conduct and to indicate to the House and to the country that he is swallowing this dose of medicine with a very bad grace?

My hon. friend the Minister of Finance did not care to have anything to do with these people. What are the facts in regard to the situation this session? Everybody who has been in Ottawa since the session began knows that, when Mackenzie and Mann came here in February looking for aid, the word went up and down that no

aid was to be given. It was stated that hon. gentlemen in the Government had declared that Mackenzie and Mann might as well go into bankruptcy now as three years from now. After Sir William Mackenzie had consulted the Minister of Finance and gone back to Toronto and given an interview to a paper, in which he said that he had made a presentation to the Government for aid, we had the spectacle of the hon. Minister of Finance declaring in this House that nothing of the kind had happened. I refer to 'Hansard' of March 3, when my right hon. friend who leads the Opposition had called the attention of the hon. Minister of Finance to what Sir William Mackenzie had said. The Minister of Finance, who was smarting under, and who is still smarting under, the deception practised on him last year, and who has handed over to the youthful Solicitor General the task of being toyed with by that shrewd legal genius, Zebulon A. Nash, because he does not want to run the risk of being toyed with this year, on the 3rd of March replied to the right hon. leader of the Opposition as follows:

Hon. W. T. White (Minister of Finance): I can give an explanation of the statement which I made to the press, but as to the statement of Sir William Mackenzie, or as to any remarks that may be attributed to him, of course I cannot speak. My hon. friend has correctly read what I stated to the press, namely, that no application had been received for assistance by way of loan to any railway company, nor was any expected to be received. So far as I am aware, that is a correct statement of the facts.

Mr. hon. friend the Minister of Finance was clearly annoyed, like the member for St. Antoine, over the situation of last year. Hon. members will note that up-to-date he has had nothing whatever to do with the matter. Newer and cruder hands have been given the task of initiating this country into partnership with Messrs. Mackenzie and Mann.

After it was clearly understood that no further aid was to be given, it was said: But Messrs. Mackenzie and Mann owe $21,000,000 to people in this country; to carmen, to railway contractors, to men who have worked with the spade and shovel out in the northlands, and these poor fellows will be destitute unless Parliament intervenes. But insidiously were the outworks pushed forward until there came to be a feeling quite clearly existing in the arena of the House that, after all, perhaps it would be better to do something for these poor fellows who were entitled to their money. Although there was created in the ranks of my right hon. friend a feeling of sympathy and that something ought to be done in that regard, the ridiculous part of the matter is that there is no provision, as I shall show, in these resolutions for the payment of that $21,000,000 to the railroad contractors and to the men who have sold materials to this railway.

The Minister of Finance, on March 3, said that there had been no application for a loan; that there was nothing doing. In the blue-book which has been brought down, I find the following letter:

Ottawa, March 5, 1914.

To the Right Honourable R. L. Borden,
Premier of Canada.

Dear Sir,—For the reasons mentioned in the memoranda and statements respecting the Canadian Northern Railway system, submitted it is essential that the company should receive further Government aid. The amount required is forty-two million dollars ($42,000,000).

Recognizing the difficulties in the way of a cash loan, I beg to apply for a guarantee of securities to the extent of forty-five million dollars ($45,000,000), par value. The discount on the disposal of these securities would probably reduce the proceeds below the forty-two million dollars ($42,000,000).

I have the honour to be,
Your obedient servant,

Wm. Mackenzie,
President.

Now, we are asked to believe that Sir William Mackenzie came to the Government on the 5th of March, two days after the Minister of Finance had made his statement to the country, and without any more data, without more reasons given than the statement to the effect that it was essential—'essential'—that this money should be found for him, this Government proceeded to get it. I asked the Prime Minister a few days ago where was the memorandum that accompanied this letter. He indicated that he thought that the memorandum was contained in these financial statements that have been submitted. But I apprehend from the correspondence attached to the documents that these statements were furnished subsequently to the application being made by Sir William Mackenzie, before the employment of the auditors, and after the Solicitor General had written the correspondence in the latter portion of this book directing what should be done.

Mr. BORDEN: Would the hon. gentleman please repeat.

Mr. MACDONALD: I said I asked the Prime Minister a few days ago what was

the memorandum that accompanied this letter of the 5th of March—

Mr. BORDEN: I understood the hon. gentleman to say that the statements were furnished after the report of the auditor.

Mr. MACDONALD: I said it would seem so.

Mr. BORDEN: That is not correct. The statements were furnished and we then sent the auditor to inquire into their accuracy.

Mr. MACDONALD: The information is furnished in extremely crude form. Apparently a large part of the knowledge that we are supposed to depend upon is in the head of the Solicitor General, as was indicated by the encounter between that hon. gentleman and the hon. member for Calgary (Mr. Bennett) yesterday. The information is not of such a character as would warrant Parliament, without further investigation, in entering upon this momentous proposition and becoming a partner in this great enterprise. If this information about the length of the line, what it cost to build, what is necessary to finish, if that was the only information Sir William Mackenzie gave when he made this application of the 5th of March, then I say that Sir William Mackenzie gave this Government no information to warrant them in coming to Parliament with these resolutions, even though their auditors verified the statements that he submitted. When Sir William Mackenzie stated to the Prime Minister last year that with $15,000,000 he would complete the railway why should he be given more money now for that purpose merely on his statement that it was 'essential' he should have the money? There was no allegation that he was unable to pay his bills or that he had difficulty in financing in London—no data such as any other enterprise that ever came to Parliament for assistance has been called upon to give. My right hon. friend's great predecessor in the leadership of the Conservative party acted differently in 1884 when the Canadian Pacific railway came asking for relief. The preamble of the Act by which that relief was granted sets out in detail the reasons why Parliament was asked for this aid—ample and sufficient reasons, if they were true, why Parliament should interfere. Compare with this, the one statement on the part of Sir William Mackenzie that it was 'essential' for him to get the money, and that my right hon. friend should take the step he does on that statement seems ludicrous and incomprehensible. It is no wonder that his supporters from Kingston and Calgary should leave him on this question. Here is the preamble of the Bill of 1884:

Whereas the Canadian Pacific Railway Company have represented, that although possessed of property and assets, which, if realized, would be sufficient for the completion of the Canadian Pacific railway within one-half of the time contemplated by the contract between the Government and the company, namely, by the first day of May, one thousand eight hundred and eighty-six, yet that in consequence of the state of the market for railway securities, and of other circumstances beyond their control, and notwithstanding the agreement made with the Government on the seventh day of November last, for securing for ten years from the seventeenth day of August last, a three per centum dividend upon their outstanding stock, they are unable to procure the funds required for proceeding with the work of construction as rapidly as is necessary to complete the railway within the said earlier period, and have applied for certain modifications of the contract of construction and of the said agreement, and for an advance upon the security of their entire railway, branches, equipment and property in order to assist them in so proceeding with such work; and whereas it is expedient, in furtherance of the early settlement of the Northwest territories and of the completion of transcontinental communication by railway through Canada, that the early completion of the said railway should be ensured: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

But this document of the 5th of March contains no such allegations. One hon. gentleman tells us that this company will go into liquidation if this money is not provided. But the Solicitor General—I think it was—argued that that was not the state of affairs at all, but that so far as the Canadian Northern railway was concerned and so far as Mackenzie and Mann were concerned, they had ample funds but that it was the duty of the country in the premises to assist in this enterprise. When we look at the preamble of the resolution which my right hon. friend introduced, we find that he simply alleged that:

Whereas the Canadian Northern Railway Company hereinafter called the 'Canadian Northern' has represented that the several companies set forth in the first schedule to these resolutions, and their railways and undertakings, rolling stock, equipment, assets and properties are intended to constitute a transcontinental railway system to be denominated the 'Canadian Northern System' and that the Canadian Northern desires to control said system by the ownership or control of the shares or majorities thereof in the capital stock of the said companies, and that it now own or controls the shares or majorities thereof in the capital stock of certain of the said companies, and that the several companies are desirous that aid should be granted for the purpose of completing the construction and equipment of the works and undertakings of the Canadian

Northern system and for the betterment thereof.

That is all. Mark the difference between the way Sir John Macdonald proceeded in 1884—Sir John Macdonald, whose name and record, my hon. friend from Rainy River (Mr. Carrick) invoked, and the method by which the present leader has proceeded in the matter in which he is handing out $45,000,000 more of money with lesser security, and is embarking in a partnership venture under which Canada makes herself liable in addition for $312,000,000 that we know of and for other millions the number of which nobody can yet estimate.

Now, it was essential that Sir William Mackenzie get this aid. The Minister of Finance (Mr. White) did not want to have anything to do with it, so the task was given to my hon. friend the Solicitor General (Mr. Meighen). And that hon. gentleman received his first lesson in how to draw up a railway contract from Mr. Z. A. Lash. On the one side is my hon. friend acting for the Government and on the other that astute railway lawyer, who has been drawing contracts, agreements and trust deeds of the most artistic shapes all his life. Indeed, I have heard of several members of the Bar who have not had the opportunity of seeing a trust deed such as Mr. Z. A. Lash could draw until they were placed on the table, taking them home to preserve them for examination and record and for the instruction of students in various portions of the Dominion. That astute railway solicitor, who has ploughed through many a stormy sea of litigation and difficulty, was put up to make an agreement with my hon. friend the Solicitor General—and he took the hon. gentleman into camp in splendid shape. That is what was to be expected. The Solicitor General has had his head turned since he got into that office. He is being touted and talked of all over the country—the Federal News Bulletin circulating its half-page photograph and biography of this Daniel come to judgment whose deliverance on the Transcontinental put even my hon. friend the Minister of Trade and Commerce (Mr. Foster) in the shade—why even the Prime Minister and every other hon. gentleman on that side are paling into insignificance before this new light that has come. When he rose the other night we thought that he was going to explain to the House this wonderful agreement that he had made with Mr. Z. A. Lash, who, being one of the noble eighteen, would be supposed to have special influence with this Government.

[Mr. Macdonald.]

But, instead of explaining the agreement, the hon. gentleman chided the right hon. leader of the Opposition because he did not know all about it. The Solicitor General was the only one who did know all about it, and he found fault with my hon. friend, saying: You admit the necessity and the desirability of completing a third transcontinental railway, and you propose to give these people a certain amount of money by way of loan without any security. It does seem to me that a gentleman having the aspirations possessed by the hon. Solicitor General should, in dealing with questions of this kind, approach their consideration upon some basis of fairness. If you refer to my hon. friend's assertion you will find that he reiterated the charge that the right hon. leader of the Opposition proposed to loan this money without taking any security whatever. This is what he said:

> If it appears to the leader of the opposition that the Canadian Northern Railway Company were not at the present time able to carry on their enterprises without assistance, he would loan them the money out of the treasury of the country and he would take no compensation in return.

That is not what my right hon. friend said at all. My right hon. friend said that he would deal with the matter as Sir John A. Macdonald dealt with the Canadian Pacific railway in 1884. Yet the hon. Solicitor General, carried away by the applause of hon. gentlemen opposite, some of whom have never read the agreement, reiterated the statement that the leader of the Opposition was proposing to give this money without any compensation whatever. If my hon. friend the Solicitor General had followed the lines of the agreement made in 1884 with the Canadian Pacific railway he would not have been compelled to submit to the desertion of two distinguished members of his party, the hon. member for Calgary and the hon. member for Kingston. Had my hon. friend the Solicitor General attempted in any court in this country to make a case on such a statement as he made to this House with regard to the merits of this proposed agreement, any judge would decide against him on his opening. Outside of what the hon. Solicitor General has said, what information has been given to this House and the country with regard to the proposed agreement? Who has answered the assertions of the hon. member for Kingston and the hon. member for Calgary? The House still waits

for some hon. gentleman on the other side to deal with this question, if it can be dealt with, in some practical way, in order that we may know, at least, what the view of the Government is in regard to it.

My hon. friend failed to explain who was going to pay this $21,000,000. I made the statement that the one and only reason why there developed in this House a sympathy for this Canadian Northern proposition was the theory that there was $21,000,000 owed throughout this land and that it was not fair that the people who claimed this money should be without it. What is the situation? I wish to give some figures, and I hope the hon. Solicitor General will correct me if I am wrong. I find, in going through the return which has been brought down—I have not the advantage of any private information, as my hon. friend has—that the financial condition of the Canadian Northern people to-day is this: as shown on page 43 of the blue book, their floating liabilities amount to $10,408,128. As shown on page 42, the amount due on construction is $21,262,527. As shown on page 10, they require $41,905,117 to complete the construction of the railway. Then, we have the further indebtedness to the banks of this country, which was exposed by my right hon. friend and leader, to the amount of $20,703,865.

Mr. GERMAN: Where is that to be found?

Mr. MACDONALD: It is not in the printed books, but it is in the statement which the right hon. leader of the Opposition found in the return and which was admitted in the discussion a few days ago. The figures which I have given make a total indebtedness of $94,279,637.56.

Mr. MEIGHEN: Will the hon. gentleman give the figures again? I do not see how he makes the $94,000,000.

Mr. MACDONALD: Floating liabilities, $10,000,000; due on construction, $21,262,000; balance necessary for completion, $41,905,000.

Mr. MEIGHEN: That is not a liability.

Mr. MACDONALD: I am speaking of the amount of money which this company requires in order to complete the railway, and I am including in that the liabilities which exist to-day and the amount of money which they state they require, after giving credit for all the assets set out on page 9 of the blue-book. I add to that $20,703,000, the amount which is owing to the banks, and I make a total of $94,279,637. It is stated that $24,000,000 are pledged to the company as security for this $21,000,000. Supposing these securities have a par value; there would be to the credit of the company, coming from the banks, $3,396,135.

Mr. MEIGHEN: Just to correct the hon. gentleman, I may say that the $24,000,000 is not on the basis of a par value; it is on the basis of the quoted value in the market at the time.

Mr. MACDONALD: In the light of the fact that a good deal of information about this bargain is in my hon. friend the Solicitor General's head, and not in these books—

Mr. MEIGHEN: That is on paper.

Mr. MACDONALD: I want to ask my hon. friend the Solicitor General to lay upon the table of the House at once a statement of the securities that have been pledged to the banks and what their normal value is.

Mr. MEIGHEN: It is tabled.

Mr. MACDONALD: It is not in the books. If there is a statement tabled, I have no doubt that the hon. member for Calgary and the hon. member for Kingston had it, in view of their speeches of yesterday. At any rate, it was rather difficult for hon. gentlemen on this side of the House to get it.

Mr. MEIGHEN: If I may explain—

Mr. MACDONALD: My hon. friend will tell me this: At what does he value the securities that are pledged to the banks?

Mr. MEIGHEN: I will get that in a moment. In the meantime, let me say that everything was printed that was asked to be printed; the rest was laid on the table of the House.

Mr. MACDONALD: I am asking my hon. friend only one question.

Mr. MEIGHEN: I have a right to say that, whether my hon. friend desires it or not.

Mr. MACDONALD: My hon. friend has a right to say nothing which I do not permit him to say during the course of my speech; he may as well understand that. I asked my hon. friend what he gives as the value of the securities now pledged to the banks for the loan of $20,000,000?

Mr. MEIGHEN: $24,324,029.10. The price of each one is given in the statement.

Mr. MACDONALD: Then my hon. friend need not have corrected me, because I was giving him exactly that amount.

Mr. MEIGHEN: That is correct, but it is not on a par value.

Mr. MACDONALD: Whether or not it is on a par value, is entirely unimportant; what we want to get at is the actual value. From what my hon. friend says, it can be seen that there is a margin of $3,396,135 over and above the amount owing to the banks. I deduct that $3,396,000 from the $94,000,000, which shows that, taking into consideration the $41,000,000 necessary to complete the road, the Canadian Northern enterprise, or the Mackenzie and Mann Company, Limited, require $90,000,000 to pay their debts and to complete the road, after making allowances for all the securities which are credited on page 10 of the blue book. My hon. friend apparently agrees with that. If they require $90,000,00 to complete the road, this country is only giving them one-half of that amount, $45,000,000, and the net value of that $45,000,000 is $42,000,000, which means that there is $48,000,000 of debt and of money necessary for the completion of the road that have to be found somewhere. Where does my hon. friend in this agreement provide for that? We find first, in regard to this money owing to the banks, that Messrs. Mackenzie and Mann, or the Canadian Northern railway, undertake that that $20,000,000 will be paid out of $24,000,000 of securities that have been put by. So we will assume that one crosses the other. Then, in regard to floating liability, we have the covenant here that Mackenzie and Mann themselves will, within one year, retire or reduce that $10,000,000 down to a floating amount, in the judgment of the Government. We will assume that they can do that, but where does my hon. friend find $21,262,000 to pay the implement men, the contractors and sub-contractors and the men who worked with the pick and shovel all over the country? Where does my hon. friend say they are going to get that?

Mr. MEIGHEN: They get the proceeds of $45,000,000 of the guaranteed securities; but, in addition to that, they have, in unsold and unearned securities, $58,000,000 besides, which totals $100,000,000 odd. In that $100,000,000 odd the $21,000,000 is included, and consequently the $21,000,000 must be got out of those two.

Mr. MACDONALD: My hon. friend says that out of this $58,000,000 of securities that exist the $21,000,000 is going to be paid?

Mr. MEIGHEN: Out of the $45,000,000.

Mr. MACDONALD: Does my hon. friend say that this $21,000,000 of debt is included in the statement of requirements to complete on page 10?

Mr. MEIGHEN: I do not know about the page, but there is a total of $100,000,000. Yes, it is included in that $100,379,099.

Mr. MACDONALD: How can that be? Take, for instance, equipment. There is owing for general equipment $1,539,863. The only item for equipment on page 10 is item No. 5, rolling stock, equipment for transcontinental, and maturing equipment notes, $27,000,000. Will my hon. friend say that the $1,539,863 is included in the $27,000,000?

Mr. MEIGHEN: Yes, and the whole $21,000,000 is included, spread over these items.

Mr. MACDONALD: Has my hon. friend any statement showing that?

Mr. MEIGHEN: Yes, I have seen a statement, I am pretty sure it is filed. I can produce it to you.

Mr. MACDONALD: It is as well that my hon. friend should personally undertake to give it to me.

Mr. MEIGHEN: Yes.

Mr. MACDONALD: Because I am interested in the case of those to whom this money is owing. I want to know whether they will get the money out of the $45,000,000 the Government are going to give them, or where they are going to get it.

Mr. MEIGHEN: The indebtedness of $21,262,000 is to be liquidated out of the $45,000,000 and the $58,000,000. I cannot say in what proportion it will be, but it must be done out of both, if that is the way it is to go.

Mr. MACDONALD: Does my hon. friend, for the Government, say that it will be the business of the Government, under this clause which gives control of the payment out of this money, to see that these men to whom this money is now owing will be paid?

Mr. MEIGHEN: The Government follow this money to destination and the Govern-

ment only have control of the $45,000,000 and of such proportion of the other as is guaranteed by the Government. The Government will see that that money, so under its control, goes first to debts. Now, on the other hand, there will be a proportion of debt doubtless that will be applicable to the unguaranteed securities but which will be paid in due course without question before the non-guaranteed securities and the Government securities are expended.

Mr. MACDONALD: There are people in this country who are owed money by the Canadian Northern railway whose claims are included in the $21,000,000. We have seen them around this Parliament, and they have told members of Parliament that there are people suffering financially to-day by reason of the fact that they have not received their money from the Canadian Northern railway. The condition of affairs is this, if I understand my hon. friend aright. This Government are giving securities which will net $42,000,000. Will he undertake to say that one-half of that amount will go to pay those debts or will he not?

Mr. MEIGHEN: I have made the statement as clearly as I can make it, that is always in the power of the Government.

Mr. MACDONALD: The Government declines to give and absolute assurance upon this question and I want to say that hon. gentlemen in this House know that were it not for the representations made here and throughout the country that it was necessary to make this advance in order that the people who were owed this money would get it, this Government would never have had the temerity to come to this Parliament, in view of the opposition which has been exhibited from their own friends. And it also shows, beyond a shadow of a doubt, that the $45,000,000 of security, to which the country is being committed under this measure, is but the beginning of further and much greater grants which of necessity will have to be made by this governmental partner of this railway. My hon. friend the other night, in dealing with this question, evaded the point with skill. He declared that the $21,000,000 owing to the banks was to be protected with securities; and with considerable finesse, which he is gradually assuming, he proceeded to demand of my honoured leader, after declaring that they had thrown on the table every atom of information in regard to the matter, what he would say as to where this money was to be found that was to pay the people to whom the Canadian Northern railway was indebted. Then my hon. friend drifted away from the subject and you will not find, from one end of his speech to the other, the information which for the first time we have been able to abstract from him to-day, as to how the men who are owed the $21,000,000 are to get their money. My hon. friend the other night, extolled to the House the virtues and the advantages and the glory of the Canadian Northern railway. Why, he said, we advance the money, the whole $45,000,000, upon the guarantee of the Canadian Northern railway and we will be better off than this country was under the arrangement made by the ex-Minister of Railways when an advance was made to the Canadian Northern Ontario railway. He said that if you added the $45,000,000 to the total amount of the bond indebtedness of the Canadian Northern railway you would have an amount which would be less or practically the same as the $35,000 a mile given to the Canadian Northern railway. My hon. friend knew that he was about $8,000 or $10,000 to the mile out.

Mr. MEIGHEN: Oh, no.

Mr. MACDONALD: My hon. friend will find that the bond issue of the Canadian Northern to-day is $191,933,000 odd. My hon. friend advances the proposition that if you added the $45,000,000 which you are loaning to this company to the $191,000,000 you would only be in the vicinity of $35,000 a mile. If my hon. friend will figure it up, he will find that the cost is about $44,000 a mile.

Mr. MEIGHEN: The figures given by my hon. friend are correct if he includes the equipment bonds. Had the old Government any security on the equipment?

Mr. MACDONALD: My hon. friend is dodging the point.

Mr. MEIGHEN: Not at all. Eliminate the security on the lands and the equipment, as it should be eliminated, and it figures out at $35,000 a mile.

Mr. MACDONALD: My hon. friend, as usual, is avoiding the point. Instead of coming to Parliament and explaining this agreement, as an associate member of the Government, a rightly constituted minister should do, he goes off into side issues. I have taken his figures from the blue book to show that instead of the road being mortgaged for $35,000 a mile it is

mortgaged for $44,000 or $45,000. He is only out by $9,000 or $10,000 a mile. Then in regard to this mysterious equipment trust. My hon. friend was rather in doubt about this trust from the very beginning. If you turn to the Votes and Proceedings of the 28th April, when this great measure first saw the light, you will find that in the first schedule my hon. friend had included the rolling stock and equipment of any of the companies mentioned therein, and he also included the Manitoba railway (former name: Northern Pacific and Manitoba Railway). After the Prime Minister had explained that somebody, by mistake, had sent a rough draft instead of the final document to the printer, my hon. friend cut out this rolling stock and equipment and since the 30th April it has not appeared in the resolutions. My hon. friend knows that. He also knows that this security for the proposed guarantee does not attach to a single car or locomotive. He also knows that if there is an equipment trust in regard to the railways mentioned in Part 1 of the second schedule, this country gets no security on even an engine or box car in any one of those companies.

Mr. MEIGHEN: No, I do not. We get security on just the same property, as if those words had been left in. We get security on the Canadian Northern rolling stock because we have a floating mortgage.

Mr. MACDONALD: Since my hon. friend is beginning to explain, perhaps he will tell us why he put those words in, in the first instance.

Mr. MEIGHEN: Nothing was in my mind in the first instance because I did not put them in. The Manitoba leased lines were there just by way of indicating that they were to come in as part of the Canadian Northern property. They come in as part of the physical assets of the Canadian Northern, just as does the line between Portage and Winnipeg.

Mr. MACDONALD: Have you equipment mortgages upon the line?

Mr. MEIGHEN: Certainly, there are equipment mortgages, and we get security on the equity of the Canadian Northern in them.

Mr. MACDONALD: My hon. friend knows very well that when the hon. member for Calgary discussed with him yesterday as to what was done with the surplus, he started a discussion on the equipment. Mackenzie and Mann go to the car men, buy the cars from them and give them their notes, and then sell the cars to the Imperial Rolling Stock Company at a profit.

Mr. MEIGHEN: Oh, no.

Mr. MACDONALD: Is my hon. friend willing to give a guarantee that they do not make a profit? Why do not the Imperial Equipment Trust go to the implement men in the first place to buy rolling stock like any other great railway?

Mr. MEIGHEN: Every other railway does not.

Mr. MACDONALD: Excuse me, my information upon that point is quite as accurate as my hon. friend's. I say that the great railroads purchase through their equipment companies from the car people and implement men, and in this respect there is a very great difference between the Canadian Northern and other companies. I disagree with my hon. friend's views on this point. Under the terms of this arrangement, whereby we only get a mortgage on the shares, and where equipment is not specially set out, I submit that we do not get a lien upon a single box car, passenger car, or locomotive in any one of those companies. The Prime Minister told us that one of the things this country was getting was a traffic arrangement with the Canadian Northern railway. Sir William Mackenzie's letter of March 6 is a very astute document. On March 5, he wrote the right hon. Prime Minister saying that it was essential for the reasons mentioned in the memoranda that the Canadian Northern receive further Government aid. Things moved quickly after that. Although on the 3rd of March the Finance Minister knew nothing whatever about the business, Sir William Mackenzie wrote to the right hon. Prime Minister on March 6, as follows:

> Dear Sir,—It has been suggested that an agreement should be made between the Canadian Northern railway and the Government in connection with the company's application for assistance, providing for an exchange of traffic between the company's lines of railway and the Intercolonial railway at Quebec. To an arrangement of this kind, the company is agreeable, and it is suggested that the arrangement should be of such nature that the Intercolonial would secure all the benefits, from traffic originating on the company's lines and consigned to points on the Intercolonial railway, that it would have were it the eastern part of the Canadian Northern Railway system. Naturally, the Canadian Northern would expect the same benefits from

traffic originating on the lines of the Intercolonial railway.

I am convinced that an arrangement of this kind is practical and would result in benefit to the two railway systems affected, and if the members of your Government are of the same opinion, I would suggest that provision be made in such legislation as may be passed in connection with the company's application for aid, empowering the interested parties to enter into the necessary agreements.

Yours very truly,
Wm. Mackenzie,
President.

Mark the delightful candour and kindness of the Canadian Northern. They are willing to assent to this traffic arrangement. Sir William Mackenzie and the Canadian Northern have been trying for the last five or six years to get running rights over the Intercolonial. They were hoping to get to Quebec, and the height of their ambition was to get running rights over the Intercolonial railway from there down to the sea, and so, on March 6, after Mr. Lash had been mesmerizing the Solicitor General for a little while and had got him into a proper frame of mind, the astute president of the Canadian Northern comes along and says: If you people want me to make an arrangement of this kind, I am agreeable. The Canadian Pacific railway for the last ten years have been trying to get running rights over the Intercolonial railway from St. John to Halifax, but the Government would not consent. Sir William Mackenzie has been wanting this traffic arrangement for years, and now he kindly says: We are going to give all the freight that originates on the Canadian Northern to the Intercolonial. Of course he is. Who else would he give it to? To the Canadian Pacific railway, his rival? Certainly not. He always was going to give it to the Intercolonial railway. He would be delighted to accept the return traffic. He would expect the Intercolonial to give him the return traffic. He was delighted to get it. To get all the traffic of the Intercolonial railway that comes to Quebec handed over to the Canadian Northern railway to go west was a very important achievement for the Canadian Northern Railway Company. They had been endeavouring to get that for years. Graciously waiting for Sir William Mackenzie to accept it is the presentation of the Solicitor General and it is really as good as a play. One of the things that this Government has obtained as a result of this great achievement is that the Canadian Northern railway get an interchange of traffic with the Intercolonial railway. That is really a most interesting phase of this situation. Whatever the country does or does not get in regard to the question of financial terms, there is one thing that Mackenzie and Mann do get out of this agreement and that is running powers over the Intercolonial railway that they had been trying for the last seven or eight years to get and under such conditions that they are obliging the Government to accept the arrangement.

At six o'clock, the House took recess.

The House resumed at Eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 132, respecting W. C. Edwards and Company, Limited.—Mr. Fripp.

Bill No. 172, respecting the Toronto Terminals Railway Company.—Mr. Macdonell.

SASKATOON AND HUDSON BAY RAILWAY COMPANY.

The House in Committee on Bill No. 162, respecting Saskatoon and Hudson Bay Railway Company.—Mr. Carvell. Mr. Blondin in the Chair.

On section 1—extension of time for construction:

Mr. OLIVER: What is the extension of time?

Mr. CARVELL: Two and five years.

Mr. BLAIN: The matter was discussed in the Committee, and it was unanimously agreed that this extension of time should be given.

Mr. OLIVER: The Bill stood over at the request of the hon. member for Saskatoon (Mr. McCraney). I am informed that he has been communicated with and that he is willing that the Bill go through as it now stands.

Section agreed to.

Bill reported, read the third time and passed.

SECOND READINGS.

Bill No. 186, respecting the Canadian Northern Ontario Railway Company, and to ratify and confirm its purchase of a portion of the property of the Carillon and Grenville Railway Company.—Mr. Guilbault.

Bill No. 187, respecting the North Shore Power, Railway and Navigation Company, and to change the name thereof to Gulf Pulp and Paper Company.—Mr. Fripp.

Bill No. 188, for the relief of Georgina Beatrice Boyd.—Mr. Fripp.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Mr. MACDONALD (resuming): I was pointing out the grace and ease with which Sir William Mackenzie responded to the proposition that he should have the running rights over the Intercolonial railway and all other Government railways. Some hon. members who have endeavoured to defend this proposition on behalf of the Government have taken the position that this was a concession in the interests of the country, an offer on the part of the Canadian Northern railway that they would be delighted to carry the traffic that originated on Government railways on the one hand, while the Government railways, more particularly the Intercolonial railway, would be given the opportunity of carrying Canadian Northern railway traffic that might be routed by the shipper. My hon. friend from South Renfrew very pointedly and very ably showed the fact to be that the clause which was put forward by the Prime Minister as being a tangible advantage to Canadian ports and to the Government railways amounted absolutely to nothing, that the clause contained no more, so far as beneficial results were concerned, than was amply provided for under the legislation of 1911. But hon. gentlemen who have been defending this proposition have either chosen to forget or have never seen the delicious irony of the letter of Sir William Mackenzie of the 5th of March. It is really a classic, that document; it deserves to go down to future generations as a specimen of diplomatic negotiations. Its reception is a tribute to the ability of Mr. Lash, who unquestionable penned this document —the solicitor, close adviser and fidus Achates of Sir William Mackenzie. He dealt with the Solicitor General upon whom the whole responsibility of having to do with this measure was placed, the Minister of Finance having absolutely renounced all connection with it—and he put forward the hon. member for St. Antoine (Mr. Ames) to declare that every one was annoyed at the deception practised last winter and the easy way in which he had fallen under the wiles of the Canadian Northern railway. Mr. Lash led the Solicitor General to believe that the country was getting something especially beneficial; hence we find this covenant in the agreement:

> The Government covenants with the Canadian Northern that it will from time to time enter into agreements with the Canadian Northern or with any constituent company, giving running rights over such parts of the Government railways as may be desired and the terms and conditions of every such agreement shall be such as the parties thereto may agree upon, or in default of agreement, as may be settled by the Railway Board.

Now, the Canadian Northern railway, as I have stated, had been for years yearning to get the Atlantic connection for their railway. With all the assiduity and with all the ability—the unquestioned ability—which has characterized their methods in every province of the Dominion, they were able to get down to the province of Quebec and down to the city of Quebec. But how were they going to get down to the Maritime provinces was a conundrum which they had never been able to solve. And they took advantage of their very necessity for aid, and in order that they might create a complete transcontinental system, to seduce the Solicitor General into giving them absolutely what they had long sought and had been unable to get from any other Government in this country. By these running rights over the Intercolonial railway they will be able to make valuable the property known as the Halifax and South Western. But the Hudson Bay railway from Winnipeg to Hudson bay is also a Government railway. And this company own to Le Pas, as is well known. So this Government is committed to the policy of giving to this company practically the exclusive right of operating over that Hudson bay road ahead of any other transcontinental line. And if the Hudson Bay railway is to be what hon. members from the western provinces have declared it to be, then among the things that have been given up by the country, in addition to entering into partnership with these gentlemen, has been the guarantee to the Canadian Northern railway of practically exclusive rights to operate the Hudson Bay railway from Le Pas to the bay. After the Minister of Railways and the Minister of Marine and Fisheries have spent the huge sums of money that must be spent in rendering Hudson Bay straits navigable and in providing terminals on the bay, the Canadian Northern railway will be given, by virtue of this agreement, running rights over that railway to the bay, the use of the terminals and consequently the

navigation of the bay and straits. So that, instead of an advantage being gained by the Government under this agreement with regard to running rights, as was asserted in the antecedent notice given to the press, these astute gentlemen have befooled the Solicitor General and have obtained from him, in respect of the Intercolonial railway and the Hudson Bay railway, rights which are practically priceless to the country, and which, if Mackenzie and Mann did not secure them under these conditions, they could never obtain under any other circumstances. As I say, this letter, in which Sir William Mackenzie delicately hints that he may be forced to accept this proposition, is the most delicious piece of composition that has ever formed part of any diplomatic correspondence in any communications between contractors and the Government of this or any other country. I am aware that my hon. friend the Solicitor General, who alone, we are told, with many eulogies on his behalf on the part of the Conservative press, conducted these negotiations, had very little knowledge with regard to the Intercolonial railway. Had he consulted the acting Minister of Railways; had the Minister of Finance dealt with this question; indeed, I am free to say that if the hon. Minister of Marine and Fisheries had had anything to do with the initiation or the carrying on of these negotiations, it would not have been found that that which the Canadian Pacific railway for the last ten years has been unable to obtain upon any terms would be given absolutely for nothing to the Canadian Northern Railway Company. As my hon. friend the Minister of Marine and Fisheries knows, the Canadian Pacific Railway Company has for many years been endeavouring to obtain running rights from St. John to Halifax, and has been willing to pay for them, but they have been unable to get them. Yet when these gentlemen, whom my friend the hon. member for Calgary has characterized as mendicants, come here and ask this Government to enter into partnership with them and to rescue them from their difficulties, they are able to mislead the Government to such an extent that they succeed in obtaining, in respect of the Intercolonial and Hudson Bay railways, these advantages upon terms which have never before been dreamed of. This is but another evidence of the lack of shrewdness which characterizes this agreement.

The hon. member for Calgary last night pointed out very aptly the summary methods by which the Government in 1884 were able, in case of default of the Canadian Pacific Railway Company, to obtain absolute control of that system without the application of any such complicated provisions as are to be found in this document. Mr. Lash, the astute solicitor, provides in this agreement that if default is had and the country comes to the conclusion that it is not possible for the Canadian Northern to pay the interest upon its bonds and that it must go into the hands of a receiver, there shall be given to them a further lease of life. After the Government has taken the extreme step of entering into possession; after they have assumed all the responsibilities of mortgagee in possession, it is provided that they are bound to account for everything that they do in the interim until Parliament meets, perhaps in the following year, and undertakes to deal with the matter. Supposing default takes place after Parliament rises in June and it becomes necessary for the Government, in order to carry on the operation of the railway, to exercise their powers in respect of default and to enter into possession, the railway may be operated by the Government until Parliament meets in the succeeding winter, when, perchance, the gentlemen who control the Canadian Northern will be in a position to make financial arrangements which will compel the Government once more to restore them to the position of management. In that event, they can, if they are dealing with gentlemen unlike the hon. members for Calgary and Kingston, be able to put through an arrangement with their former partners under which they may resume possession and the Government of this country will be bound to account for every cent of receipts and will have thrown upon them the onus and responsibility for every day's operation from the time they assume possession until the time Parliament undertakes deliberately to declare an absolute foreclosure. The hon. Solicitor General, when he distorted the remarks of my honoured leader in regard to the attitude of the Opposition on this question the other night; when he said that we were perfectly willing to give the Canadian Northern the money without any compensation, entirely ignored the position which was taken by the right hon. gentleman, who, on account of his long experience in Parliament, knows better than anybody in this House the powers and rights which were vested in the Crown in 1884 when the loan was given

to the Canadian Pacific Railway Company. That power, which could be summarily exercised under the clause contained in the Act of 1884, as was pointed out by the hon. member for Calgary, should be made a provision of this legislation or of any other agreement made between this company or any other company and the Government under like conditions. The hon. member for South Renfrew pointed out this afternoon conditions which every hon. gentleman on this side of the House and, indeed, every hon. gentleman on the other side of the House, and every man in the country, will contend should be attached to any agreement with this company at the present stage. We are told that we have a mortgage upon so many shares of so many subsidiary companies. We are told that we have mortgages upon other shares which have been mortgaged two or three times over. We are told that we have mortgages upon land companies in respect of which no statement has been laid upon the table of the House to show how many bonds have been issued or in whose possession these bonds are—bonds the right of foreclosure under which may be exercised at any moment to the exclusion of the Government of Canada. What about the other companies in which these gentlemen are interested? This Government has agreed to give to the Intercolonial Railway Company running rights over the Intercolonial. In the province of Nova Scotia we have a railway known as the Inverness Coal and Railway Company, a railway which is controlled and operated by the firm of Mackenzie and Mann Company, Limited, or the Canadian Northern Railway Company. Why did not the astute Solicitor General insist upon that railway forming part of this security? As a security it is very much better than the Halifax and Southwestern. Why did he not include in the security to be given the large coal properties in the county of Inverness? Why is it that such companies, for instance, as the Toronto, Niagara and Western and the Toronto, Niagara and St. Catharines railways, which are owned by Mackenzie and Mann—or by this Canadian Northern system group who are asking for this $45,000,000 and entering into partnership with the Canadian Government; why is it that these properties are not included in the list of securities? The Halifax and Southwestern railway runs from Halifax to Yarmouth, in competition with what is known as the Dominion Atlantic railway. We have a railway running from Port Hawkesbury through the county of Inverness, which, together with large coal properties in that county, is controlled by Mackenzie and Mann, and which are of the utmost value to any railway system offering securities to the Government of Canada under such an agreement as this. I do not find that these properties are taken into security; no attention has been paid to them. As the hon. member for South Renfrew (Mr. Graham) very ably pointed out this afternoon, that which we on this side of the House say, that which the people of the country are saying, that which the two gentlemen who sit behind the Treasury benches said is: Why should not these two gentlemen, Mackenzie and Mann, able as they are, having ideals if you will, ambitious as they may be; why should not they, controlling the Canadian Northern Railway system, when they ask the Dominion of Canada to go into partnership with them, do that which the men who were interested in the Canadian Pacific railway did in the early days, have enough faith in the project to put their resources behind the proposition and to stand by it? When they did that they would have a right to come to the Canadian people and ask for consideration. The Solicitor General did not seem to think that that was a necessary and important factor in regard to this matter. We are told in the Conservative press that this agreement was so cleverly drawn, so ably dealt with, that it was impossible for any other man in the Dominion of Canada than the Solicitor General to fool Mr. Zebulon A. Lash, with the same astuteness. Is there any man on the other side of the House who believes that? I am sure after the eulogy of the hon. member for Centre Toronto upon Mr. Lash, in view of the opinion that every hon. gentleman from Ontario entertains about that gentleman, while it is all very well for the subsidized Conservative press of this country to laud the extreme astuteness of my hon. friend the Solicitor General, all such talk is poppy cock and the practical men of this country know just how far Zebulon A. Lash could deal with the hon. gentleman. My right hon. friend who leads the Government, before the honours and responsibilities of office were thrust upon him, was a man of the very highest ideals. Up and down this land he talked about the control that railways exercised

over the Government of this country. He lamented, in tones of the most lachrymose character, the frightful condition into which Canada was thrust when the Liberal Government, under Sir Wilfrid Laurier, made the arrangement with the Grand Trunk Pacific Railway Company. He stood for a Government-owned railway in place of a railway-owned Government, and he rang the changes on that all up and down this land. If ever there was a railway-owned Government in this country, from 1867 down to this time, it is this combination that happens to sit on your right, who have gone into partnership with a railway by which there is fastened on this country for all time a mortgage of $312,000,000 to start with, which is going to place upon it another mortgage of $45,000,000 and which owes to-day in the vicinity of $90,000,000 more, which this country will have to pay before it gets through with it. Where is the railway-owned Government to-day? My right hon. friend dilated upon the glories and the advantages and the beauty of Government ownership in this country. Why, if the people are going to pay for a railway should they not own and operate it? That was the sentiment, that was his promise. Starting from that promise, the right hon. gentleman dilated on the rights of the free people of this country whose money was to be placed behind the enterprise and who were giving this untold amount in order that a few men might sit in control of the rates upon the farmers of the West and upon every other business in the country. That was the burden of his song. Of course my right hon. friend, in the platform which he promulgated previous to 1911, laid down a great many other propositions of that kind. After two and one-half years of responsibility he has not even ventured to fulfil a single one of the assurances he gave the Canadian people. After his blunder of last year, after his failure to make the inquiries which ordinary prudence would have demanded when they came asking the sum of $15,000,000, still when these gentlemen came to him in extremis this year, declaring appealingly that this money was essential to them, without giving any reasons, my right hon. friend forgot all he had ever said about a railway-owned Government and a Government-owned railway and capitulated through the Solicitor General to Zebulon A. Lash, one of the eighteen men who had given him support in the elections of 1911. Why did not the right hon. gentleman, if he believed in all he said about the desirability of a Government-owned railway, apply himself with assiduity to the task, when the opportunity came to him, of obtaining control over this enterprise, and not palter with the situation and give us this talk about putting up $45,000,000 and obtaining $33,000,000 of stock in return, of putting Canada and her credit in partnership with and under the control and dictation of two men in this country? Why did not my right hon. friend, when these people came to him, as his supporter said, as mendicants, be true to himself and fulfil at least one of the promises that he gave to the Canadian people in regard to this whole question of railway management? And yet this House and this country are seriously asked to accept this proposition. There is not an hon. gentleman outside of the Ministry who has spoken on this question, but who has apologized for the bargain. I venture to say that hon. gentlemen who sit behind this Government will not venture to come before the House and the country and declare that this agreement is the best one which the Government could have made under the circumstances. I fear that we have at last in this country reached that stage when, for the Canadian people, for the world in general, at last we have a railroad-owned Government in reality. Had this Government no sense of responsibility after their experience of last year, after the Minister of Finance had been fooled, after the right hon. gentleman the Prime Minister had been misled? If they had learned the lesson which the hon. gentleman from St. Antoine division (Mr. Ames) indicated they should have learned, why did they not have a full and complete investigation into the affairs of the Canadian Northern railway? Why do they not have it now? It is all very well, after the Minister of Finance on the 3rd of March declaring that there was nothing doing, after the Prime Minister on the 6th of March, in answer to a question which I placed upon the Order Paper, declaring that if there was any announcement to be made it would be made in due time, it is all very well with this letter of Sir William Mackenzie declaring that $45,000,000 was essential to him, to come to us and tell us that they had sent their auditors from the Railway Department and the Finance Department and had looked over the statements which the company submitted and that the auditors had told them that these

statements were all right, and because they were all right the Government did not propose to take control of this railway but to practically go out and buy some more stock in it. They say: we bought $7,000,000 last year for which we paid over $200. Now we are going to buy $33,000,000 worth and we are getting it cheaper than last year, we are only going to pay $45,000,000 or about $150. Everybody in Canada should take off their hats and thank Heaven that we have a Government of such splendid erudition, such great business capacity, who come forward and say: It is true we were fooled last year; it is true we have made no investigation although Parliament insisted that it should be made; but, after all, we ask this House and the country to adopt this agreement. And why? Because some untold evil that nobody suggests the nature of may happen to this country. The hon. member for St. Antoine (Mr. Ames) gave the lie to the Finance Minister yesterday who has been asserting all along that this country is wonderfully prosperous, and that Canada had stood up under stress better than any other country in the world. The hon. member for St. Antoine said that financial conditions and the stagnation throughout the country were such that a problem had been created which called for solution. Practically the position of the Government is this: Although the Canadian Northern make no representations in any of the documents that have been laid before Parliament that they need this money other than the fact that Sir William Mackenzie says it is 'essential' that the Canadian Northern railway should have it, although no statement such as the Canadian Pacific railway made in 1884 has been presented, this railway-owned Government proceeds to do something, and we are asked to fall down and worship this agreement. Before we go into a partnership of this kind we should have a full and complete investigation into the financial position of this company. I need not urge upon this House the necessity of that; the arguments that have been made by gentlemen on the other side of the House are ample and sufficient to warrant us on this side asserting the absolute necessity of having that done in the interests of the country. We are asked to commit ourselves absolutely to finance this proposition for all time to come, because that is what it means; and, financing this proposition to permit the gentlemen who are in control of the Canadian Northern to-day to spend the money after we have provided it. We are asked to give them this money on no further information than is contained in the pages of this little blue book. We are asked to assume that times are hard on the other side, and that these gentlemen are in financial difficulties. Although they do not say so in this report we are told that they cannot pay the $21,000,000 that they owe, and that this moment nobody can say, after having heard the Solicitor General deal with this question, whether their creditors are going to get the money or not. Parliament is supposed to give them $45,000,000 under this peculiar agreement. We on this side of the House want to see this transcontinental railway protected. We have as much faith, perhaps more, than hon. gentlemen on the other side. I recall the occasion just ten years ago when the proposition was made by my right hon. leader that we should build a second transcontinental railway in Canada, and how the gentlemen who happen to be in power to-day, then sitting on your left, Mr. Speaker, went up and down this land declaring that it was a totally unnecessary and frightfully extravagant proposition; and hon. gentlemen who came to Parliament in 1904 will recall that they had to fight their way here against hon. gentlemen of the party opposite, who declared that their future and that of their children was being mortgaged for all time to come for a totally unnecessary proposition in this country. Not only do we on this side of the House believe in Canada, but we believe in a third transcontinental as well. We have faith that in the days to come the men and women not only of the western plains, but of all the provinces of our fair Dominion, will produce conditions under which this giant of the north will march forward with more rapid strides than did the country to the south of us. Our great leader twenty years ago told us that the twentieth century was Canada's, and every one of us on this side of the House believe that it will be so. But in order to obtain a third transcontinental, we do not propose to take any gambling chance such as is being submitted to the country at this time. We on this side of the House do not believe that Canada should be saddled with the consequences of this agreement, and that belief is shared by men of promise and ability on the other side of the House. We are proud to know that upon this question the hon. member for Calgary and the hon. member for Kingston, to whom I referred at the inception of my remarks—men whom we on this

side of the House have always respected for their high ideals and true Canadianism, although we differ on certain questions of politics—have gone so far as to leave their party, and to declare that this Government shall not have their confidence when they come before this House with such a proposition. Not only that, but last night the Evening Telegram, of Toronto, that citadel of Toryism, gave this note of warning to the gentlemen who sit opposite. Referring particularly to the remarks of the hon. member for Kingston, the Telegram says:

A clear-eyed cynic wrote the foregoing words into the terms of his tribute to a House of Commons other than the assemblage addressed by W. F. Nickle, M.P., yesterday. 'He made rather a spectacle of himself,' was the reward Mr. Nickle earned from a Conservative visitor who does not share the ideals, admire the policies, or serve the interests of the Clan Mackenzie. God help Canada if the old men who should see visions and the young men who should dream dreams are to forever glorify cowardice and despise courage.

Ontario, including Toronto, seems to be represented at Ottawa by seventy-two rubber stamps in the hands of Right Hon. R. L. Borden, whose Government seems to be a rubber stamp in the hands of Sir William Mackenzie. The Canadian Northern Railway bungle and the Grand Trunk Pacific bungle must be straightened out by heads and hands that had no leading part in the making of these bungles. The situation of the Borden Government is inexpressibly disappointing to Canadians who rejoiced in the results that armed Right Hon. R. L. Borden with the power of Ontario's progressive enthusiasm. The disappointment of progressive Canadians is aggravated by the spectacle that Ontario Conservatism made of itself in its passive approval of Sir William Mackenzie's attempt to bludgeon and bulldoze the Parliament of Canada.

That is what the Evening Telegram, one of the old-fashioned Conservative papers in the city of Toronto, says.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: Since when was John Ross Robertson read out of the party? I listened this afternoon with some amazement to the hon. member for Rainy River (Mr. Carrick) reading out of the Conservative party the doughty member for Calgary (Mr. R. B. Bennett), who, from the Maritime provinces, went into western Canada and carried aloft the banner of Conservatism in the dark days when it was not fashionable to be a Conservative out there. He and the hon. member for Kingston (Mr. Nickle), who glories in the fact that he learned his politics at the knee of Sir John A. Macdonald, were read out of the Conservative party because they would not bow the knee to this agreement. And now, forsooth, John Ross Robertson is to be read out of the party because he chooses to believe that the hon. member for Kingston and the hon. member for Calgary have a right to speak their minds in this House. The appreciation of the enormity of this proposition that is put before the Canadian people by this Government will grow as the days go by. This Government attempted to gag public opinion by sending broadcast through the country a false and distorted statement as to the terms of this agreement, before the document was laid on the table of the House. We were told that a most satisfactory, splendid, beneficial agreement in the interests of the Canadian people had been arranged by the astute Solicitor General. The hon. member for Kingston has led the way in pointing out the enormities of this proposition, and I say that the people of Canada will at last learn that we have a railway-owned Government in this country—a Government that, forsooth, was always to stand for the rights of the people, and that was always going to provide for a Government-owned railway. This proposition is one which the Canadian people will not ratify, will not stand for, and we on this side of the House, feeling that we want to put our views at the inception of the discussion upon record in regard to it, I desire, Mr. Speaker, seconded by the Hon. Mr. Murphy, to move:

That the Speaker do not now leave the Chair, but that this resolution be considered six months hence.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, in speaking to the resolution and the amendment, I am not going to refer at any great length to the gentlemen who are the proprietors of the Canadian Northern railway and of the subsidiary companies that are interested in this resolution. If all we have heard about Mackenzie and Mann is true, they certainly are entitled to a great deal of admiration for the ability they have shown, to say the least. If it is true that they have nearly completed a transcontinental railway with money secured from various governments, both Dominion and provincial, from municipal corporations and by the bonds that they have sold to the various financial markets of the world, it certainly must be regarded as a tribute to their business acumen and financial skill. Not only, according to the statements made here, have they been able to do that, but they have been able to enrich themselves to

the extent of millions of money. I confess that I have no jealousy of Sir William Mackenzie and Sir Donald Mann, and I give them credit for displaying at least very wonderful ability. I do that all the more readily because I could not be counted as 'one of a half dozen of equal ability with myself that could do anything of the kind.' But I am also not jealous of Sir William Mackenzie and Sir Donald Mann, because, if I were offered all the money in the world to go through what they apparently must have gone through in the last two months I certainly would have refused it.

I was rather amused the night before last and yesterday at the unbounded enthusiasm of my hon. friends on the opposite side of the House, over the hon. member for Kingston (Mr. Nickle) and the hon. member for Calgary (Mr. R. B. Bennett), in their very great consideration for the people of the West. I noticed that the hon. member for Kingston, in his very admirable speech, was eager to bring about unity between the people of the West and the people of the East by the Government taking over this railway and giving cheaper transportation rates. I was amused because my hon. friend, in 1911, had an opportunity to unite the people of the West and the people of the East such as had never been given to the country before and probably will not be again. Where then did we find our hon. friends who are now so solicitious for the people of the West? Just recently in this session of Parliament also we gave our hon. friends who are so solicitious a golden opportunity to free the people of the West from the restricted markets that they have for their wheat. Where were they then? They certainly voted against free wheat, and, if I understand the people of the West, they were just as anxious to get free wheat as they were to get a reduction in railway rates. My hon. friends were not so solicitious at that time, and therefore I was rather amused to observe the great earnestness that they have displayed on this question within the last two days. If I am not mistaken also, if our hon. friends had supported, not only free wheat, but free grains, meats and stock, in the interest of the people of the West in 1911, there would have been no necessity for any appeal to the Railway Board to lower freight rates. Competition with the American railways would have attended to that better than anything else in my judgment that could have been brought about.

9 p.m.

I would like to refer to the stocks that have been transferred to the Canadian Northern Railway Company under this agreement. It has been stated by the hon. Solicitor General (Mr. Meighen) that the Canadian Northern Railway Company would own or control all the subsidiary railway companies. That is quite true, and if any dividends were earned by the subsidiary companies, as they are really part and parcel of the Canadian Northern road, though under different names, the dividends would be paid to the holders of the stock of the Canadian Northern, which would be, according to this resolution, held partly by the Government and partly by Mackenzie and Mann. While it is true that the roads still remain as separate entities and still remain in the hands, to a certain extent, of the officers of each individual road, a certain amount of stock being left in the hands of individuals for the purpose of qualifying them as officers, there is nothing in this agreement that I can see which would prohibit the subsidiaries from paying all the profits, if there were any profits, to the officials of these individual roads so that there would be no dividends possible. I have seen that done in joint stock companies. I see nothing in this resolution that would prohibit the whole of the profits that may be earned by the subsidiary roads from being paid to the officials of the road in the form of salaries, etc. Therefore, there would be no dividend earned for the stock of the Canadian Northern, or the parent company.

I am not going to dwell on the values of the stocks that are to be assigned as securities for the Government, because that matter has been pretty well dealt with by various members who have spoken, and I am not in a position to say just what the values of those stocks are. They may be worth something or they may be worth nothing. As some hon. member has stated, the probability is that they are not worth very much, or funds could be raised on them even in the present financial stringency. The reason why I cannot support the agreement as set forth in the resolution is mainly this: I do not think the Government should have a partnership in this undertaking at all. This proposed guarantee takes the form of a loan; and I leave it to any of my hon. friends who may be within reach of my voice to decide this question. If it were a private deal, a man was putting through for himself and he was lending to another person on his real estate money to pay up mortgages that were already

against the real estate for more than it probably was worth, would he take another mortgage or would he not rather take a deed in trust from the party whom he was assisting; and would he not give that party an agreement that, at any time, if he could redeem the property, he would give him back the deed, because that would save the expense of foreclosure? My hon. friend the Solicitor General set out that, in case of default after three years, the Government could automatically take possession of this enterprise. If they could do so, there is nothing in this agreement to show what would become of the stock owned by Messrs. Mackenzie and Mann, as they still have a controlling interest in it. The Government could not take that, so that, if they took the road and afterward made the road a success as a Government undertaking, Mackenzie and Mann would still have a controlling interest in the stock, so far as I can see. Therefore I do not think there should be a partnership at all.

I do not know whether Mackenzie and Mann have made millions of money out of this undertaking or any other undertaking. They are reputed to be worth millions, but I know nothing about that. If they are; and if they are in earnest in getting the Government to assist them in carrying out this project, why do they not do as any of us would do, if we were asking any one to help us out of our difficulties, namely, be willing, if they have confidence in their undertaking, to put-up all the securities they have in the world and by that means secure the Government to the best of their ability for tiding them over their difficulties?

It has been suggested that we take a controlling interest in the stock. I am opposed to the Government's taking any stock at all. If Mackenzie and Mann carry this work through to a successful conclusion, they are entitled to any profit they can make out of it. The Government should reduce the stock to such an amount as they think will be a satisfactory payment to Mackenzie and Mann if they carry this enterprise through to a successful conclusion; and this stock should now be transferred over to the Government in trust to be deeded back to the owners of the Canadian Northern Railway Company when they achieve success in building the road and when they prove that they can pay interest on all the securities against the road. The Government has no right to go into partnership with Mackenzie and Mann or any company or corporation in this country. I consider that, if we reduce the stock to $100,000,000, that is too much payment even for the trouble Mackenzie and Mann will have in building this road. Suppose we take this $40,000,000, and the company is capitalized at $100,000,000, we leave aside the debenture stock, because that is in the future, and the people who now hold debenture stock may not be willing to trade for common stock, dollar for dollar. If they do, of course, that means another $25,000,000 of capital. I do not pretend to say what the capital should be; but I think $100,000,000 is too much, and I object to the Government owning $40,000,000 of the capital stock, because, when the road is completed, if it is completed, it is only human nature that Messrs. Mackenzie and Mann, who hold the controlling interest in the stock, should try as best they can to earn a dividend on that stock and make it worth something. If the Government for any reason wanted to reduce the rates, either eastbound or westbound, that the railways charge in this country, they would not be in a very happy position, if they were endeavouring to repay themselves by those same freight rates for their $40,000,000 of stock in this enterprise. I think they would be in a very awkward position, and the same as any one of us would be in if we were asked to reduce charges that would reduce profits coming directly into our own pockets. It is against human nature to put ourselves in such a position; and, as the Government is composed of human beings, it is against human nature so far as the Government is concerned.

I am opposed to this resolution, because I do not think we should have a dollar in this enterprise, because, if it is not carried to a successful conclusion, it will not do us any good. $40,000,000 does not give us control by any means. It is misleading the people to say so, and the proposal to have a director on the board is even more misleading to the people. One director on the board can not control in any way, manner or form, and he will be bound by the actions of the board as long as he sits on it. No man can sit on a board of directors and not be responsible for the actions of that board. If he does not agree with the Board of Directors, he has but one duty—to resign. If we had a representative on that board, the great public, after all, would think that the business was under his charge to a

certain extent, that he had a certain control over it. But that would be purely imaginary, we should have really no control; and the presence of our representative there would put us, as a country, in a false position.

If the Canadian Northern railway, no matter by whom controlled, is able to carry its enterprise to a success, every one would be willing that they should make well out of it. I am sure no one in this country grudges to the originators of the Canadian Pacific Railway Company the immense means that they nearly all control through the success of that road. And if the Mackenzie-Mann people are able to carry their enterprise through to success, I am sure no one in this country will be jealous of them. But I do not think we ought to enter into partnership with them. My right hon. leader (Sir Wilfrid Laurier) has said he would be willing to loan them the money. And he was criticised severely by the Solicitor General for suggesting such a thing. But the Solicitor General was unfair in his criticism; he put words into my right hon. leader's mouth that that gentleman never used. The unfairness of this course showed in all the worse light because the Solicitor General is a young man and because of the high standing of my right hon. friend and leader,—I am sure that when the Solicitor General thinks it over, he will think so himself. I absolutely agree with my leader that we should assist the Canadian Northern railway, but that we should assist them in such a way that, while they are enabled to carry out their project, we also shall maintain our position, so that in case of default at any time we shall have absolute control of everything there is in the road. And the only way to do that is to have the stock put in the hands of the Government, to be forfeited in case of default. And I am one who would like to see the stock very materially reduced.

Now, my right hon. friend referred to clause (b), at page 14 of the agreement with Mackenzie and Mann, and drew attention to the fact that the Dominion Railway Board were given control over the various railways that went to make up the Canadian Northern Railway system, but that there was a clause reading:

> Provided always that any agreement respecting interchange of traffic shall be subject to any agreements now existing with any other company or companies.

I noticed that the Solicitor General was rather amused that the right hon. gentleman should think that that or any agreement could hinder the Dominion Railway Board from having absolute control. But I would refer him to the case of the provinces of Saskatchewan and Alberta in which the Railway Board had made an order that conflicted with an agreement which the Canadian Northern railway had made with the province of Manitoba at the time that province guaranteed the company's bonds. That appeal came to the Supreme Court, and it was decided in favour of the provinces of Saskatchewan and Alberta on the ground that the order was contrary to the agreement with the province of Manitoba. That will answer, so far as I am concerned, both clauses (b) and (c) of the agreement. I am not sure that he was right that that only refers to the agreements for the exchange of traffic. Without seeing the agreements that have been made by the various governments with the Canadian Northern railway, I am sure that no lawyer, be he ever so capable, could decide whether the Railway Board would have power or not.

Now, as to the agreement proposed, that the Canadian Northern railway should send all freight over the Government railways, that strikes me as a bit ridiculous. No consignee can be bound by any railway as to how he shall consign his freight. The Canadian Northern railway would be absolutely helpless. If any of us were shipping a carload of freight over that road and wanted it carried to a certain point, they would have to carry it to that point or not take the freight at all.

Let me say in a word, I have no objection to Messrs. Mackenzie and Mann making some money out of this enterprise if they can, but I agree with the hon. member for South Renfrew that, if these gentlemen have some means, large or small, and if they are in dead earnest over getting this railway built and are satisfied that this $45,000,000 will finish the road, then it is asking no more than is reasonable, no more than any member of this House, I am quite sure, would ask if he were making a loan privately, that they should pledge their property. There is no reason why the Government should not insist on that. On the other hand, there is every reason why the Government should not be a partner in this enterprise. I ask the Government—with all due deference to this learned and grave agreement—before it is too late to consider their position. I am going to vote for the amendment, because I do not think that the agreement proposed by this resolution is at all satisfactory

to the people. While I am absolutely in earnest in wishing to see this railway built, and while I absolutely agree with my honcured leader that the country, if not today, then to-morrow or next day, will be quite capable of sustaining this additional transcontinental railway, at the same time we should be cautious about the assistance we give. We should drive the best bargain we can. Or, rather, it is not a case of us driving a bargain; it should be a case of our stating our terms and the people who want assistance coming to those terms.

I am not in favour of the Government's undertaking the finishing of the road. I believe that the Government, in so far as the letting of contracts is concerned, could do just as well as private individuals in any part of the work that had still to be completed. But if we were to take the work out of the hands of the present proprietors it would be necessary that we should operate the road when it is completed, or get some person else to operate it. If Mackenzie and Mann have the ability attributed to them by the various speakers during the course of this debate, then I say that if we search the country with any kind of comb we will be unable to find any one more capable of carrying on this work after it is completed than they are. I for one would much rather let Mackenzie and Mann or some private corporation do the work than have the Government operate the road. I have not the slightest faith in government operation of a work of this kind. No one can tell when the Government may change, and even if the Government does not change, the Minister of Railways of any government would have to be born with a heavenly insight into railway management to be able to take charge of the railway and carry on its operation without making mistakes. All the great railway corporations of America—and they are the only ones with which we can compare ours—are managed entirely by men who have risen from the ranks; men who know the business from A to Z. No matter what party is in power, how are they going to appoint a Minister of Railways who has the experience necessary to enable him properly to manage a great transcontinental road? Every man sitting behind the Government would be compelled day and night to have positions available on the railway for persons applying for them. Naturally, we would think that the fellows in our constituency who applied for these positions were quite worthy of them; we would be very inhuman if we did not think so. For these reasons I am absolutely opposed to any government system of operation of railways. I hope, therefore, that this Government will reconsider these resolutions and put them into such shape as will enable the Government to give the assistance necessary to ensure the completion of this road. I believe there will be traffic for it, and traffic that will make it pay. I believe also that the country will sustain it. I do not look to see a setback in the West for any length of time, nor do I anticipate any setback in the East. I do believe that the Government will be forced, no matter whether they are willing or not, to give the people of the West some of the things that they have asked for and demanded during the last few years, and the sooner it is done the better. I have much more faith in the Canadian Northern Railway Company, so far as their earning powers are concerned, than I have in the Hudson Bay railway, and I have immensely more faith in the Canadian Northern railway, so far as their earning powers are concerned, than I have in the Georgian Bay canal, which 500 and sometimes 1,000 men at a time, coming here in a body, are asking us to build. I believe that the Canadian Northern railway, properly handled after it is finished, will not only earn interest on the securities that are against it but will earn more than sufficient to pay interest on the securities and give a reasonable rate for freight both east and west as well.

Let me refer for a few moments to some comparisons and nasty insinuations that have been thrown out as to the cost of constructing the National Transcontinental railways. Some hon. gentlemen the other night compared the cost of the Canadian Northern—I am not sure that it was not the hon. Solicitor General—after the $45,000,000 goes into it, with the cost of the National Transcontinental. Let us be fair in this discussion; there will be no earthly comparison, after these roads are finished, between the physical conditions of the Canadian Northern and those in respect of the National Transcontinental railway. Why, then, compare their respective cost? The section of the Transcontinental railway built by the Government runs through an inaccessible country and it was very difficult to convey the supplies and the machinery necessary for the building of the road. This line, however, opens up a new country. Let me say also in support of what my hon.

friend the hon. member for South Renfrew and the hon. member for Port Arthur said, that the Canadian Northern opens up a very much better territory after it leaves Port Arthur coming east than does the Canadian Pacific railway. I have been over some sections of that country and I would not be surprised if a sound earning power on that section of the road from Port Arthur to Montreal were established after the road is completed. I believe that the project will be successful enough once it is carried through, but there is a right and a wrong way to carry this project through, and the wrong way is the present proposition. I offer these few remarks for the consideration of the Government before they try to force this Bill through Parliament against the wishes of the members on this side of the House.

Mr. WILLIAM SMITH (South Ontario): Mr. Speaker, I have listened very patiently to the speeches of hon. gentlemen on both sides of the House upon perhaps one of the most important questions that has engaged our attention this session. I do not propose to talk about millions or about bonds to-night, because these are things outside of my knowledge. I may be allowed to express some little surprise at the position taken by the hon. member for North Oxford (Mr. Nesbitt). He was in this House last year when the legislation authorizing the granting of $15,000,000 to the Canadian Northern railway was before Parliament. And what did the hon. member do? If my memory serves me rightly, he walked out of the House rather than vote on the question.

Mr. NESBITT: The hon. member will, I hope, allow me to say that his memory is in fault.

Mr. SMITH: The hon. gentleman will not find his name upon the record in connection with that matter. I propose to discuss this resolution to-night from a standpoint different, perhaps, from that which has been taken by any of the previous speakers. I happen to be only an ordinary farmer, and I am inclined to ask this question: has this railway ever done anything for us? If it has, then it seems to me that the proposition now before the House is one which is in the interests of Canada generally. If not then I may be taking a wrong position.

[Mr. Nesbitt.]

This railway company started a number of years ago by building one hundred miles of railway out of Portage la Prairie to the north, practically through a virgin territory. It then commenced to open up the valley of the Saskatchewan river, where the settlers naturally drifted in. The land was somewhat rolling, slightly wooded, and naturally adapted for mixed farming. I made a statement to the House in the Budget debate that the hope of the Northwest was in mixed farming. Settlers naturally followed the building of this line. Homesteads were taken up. Men were able to perform their homestead duties and work upon the railroad, and out of their savings they purchased implements and live stock, and many of these men became the principal agriculturists of the great Northwest. I believe that not only the Dominion but provincial governments have asked the company to continue their building, because it would be in the interests of the farmers of Canada. The people of the Northwest, especially in Saskatchewan, Alberta and Manitoba, have reaped considerable returns from the building of this road. This was pointed out, I think, admirably to-day by the hon. member for Centre Toronto (Mr. Bristol), who said that $15,000,000 had been saved to the farmers of the Northwest. In Alberta they reduced the rates upon live stock and grain 15 per cent, and in Manitoba 7½ per cent, and 3 cents per 100-lbs, on their rate to the head of the Great Lakes.

An advantage has also been secured to the people of the Northwest in the competition which was afforded by this railway. We all know what that means. We know what it means in the older portions of our Dominion, and we know what it means to the success of our Northwest territory. The new line which they are building from Edmonton to Vancouver will afford to the farmers of the Northwest great opportunity of sending their grain and livestock into that province, while the railway will bring back lumber, fish and fruit from British Columbia for their use. The Canadian Northern railway last year handled 30 per cent of the grain and 70 per cent of the livestock of the Northwest.

One of the great difficulties in the building of the railroads has been the municipal aid which has been given to them. This is one thing which I think has been overlooked to a great extent in the building of the Canadian Northern railway. Outside of Port Arthur and the Parry

Sound district, where they received in the neighbourhood of $70,000, as far as I know not one single dollar has been given by any municipality in aid of the Canadian Northern railway.

Coming to the Canadian Northern railway in the older parts of Ontario, the hon. member for Calgary last night skipped over from Montreal to Winnipeg very lightly. He seemed to forget that there were hundreds of miles between Montreal and Winnipeg. The great province of Ontario was practically forgotten. This line from Toronto to Ottawa and then east passes through the richest portions of the province of Ontario. It passes through the county that I have the honour of representing, and I may say from my own experience and knowledge, running as it does between the Grand Trunk to the south and the Canadian Pacific railway to the north, it is doing a splendid work for that portion of the province of Ontario. The Canadian Northern railway will run away to the north in the newer portions of the province of Ontario. The land, I understand, is admirably adapted for settlement. It will afford great opportunities for our young men, who instead of having to go to our Northwest or to the country to the south. can go on that land and still remain in the province of Ontario. That land will be admirably adapted for mixed farming. The Dominion Department of Agriculture has been doing splendid work. They have been developing the live-stock interests especially in the Peace River district, in British Columbia, and in other portions of the Dominion. It is here that the Canadian Northern railway will play a considerable part in being able to market the produce of the work which has been done by the Agricultural Department. I wish to draw the attention of the House to the fact that, in the older and more settled portions of Ontario, the Canadian Northern railway has been doing splendid work. We find that where it has perhaps been impossible for them to continue their steam road, they have been building electric lines as feeders to the main line. These are doing splendid work for the farmers of Canada. I believe that the farmers of Canada fully realize this fact, and when the time comes, and this party and this Government need not hesitate to say when it shall come, that the farmers of Canada will rally around the Government and say: You did wisely and well when you came to the assistance of the Canadian Northern railway.

I have listened to the hon. gentlemen who have spoken on both sides, and whilst we may have difficulties upon our side, I venture to make this statement, that when the vote comes to be recorded, we will be able to point out that our oppnents too have their difficulties. I listened to the hon. member for Pictou as carefully as I could to-night. I listened to his speech, forcibly given as it was, and I could not help drawing a contrast between his speech and that of his leader. But it seemed to remain for one of the principal lieutenants of the party to propound their policy. What did the right hon. leader of the Opposition say the other night? He said he was in favour of assisting, in some form or other, the Canadian Northern railway. That was repeated by his lieutenant, the hon. member for South Renfrew, and yet the hon. member for Pictou comes and says: We will do that in six months or later if possible. Mr. Speaker, these gentlemen to be honest, if that would be parliamentary, should remember their record of 1903 and 1908 and 1911, when they came to the assistance of this railroad.

Are they going to let this almost transcontinental road go down? Are they going to ruin the prosperity of this country by not coming to the assistance of this road? Or, on the other hand, shall we adopt the policy propounded by the right hon. the Prime Minister the other evening? Have we not security for the proposition that we make? Can any hon. gentleman put his finger upon one single thing that we could have done more than we have? We have practically tied up the road in every possible way. To-day, the people of Canada are looking to this Parliament because they believe that part of the prosperity of Canada depends upon what shall be done in connection with this third transcontinental railway. I do not say that it was absolutely necessary that this road should have been started, but if any one is to blame because the Grand Trunk Pacific came in between, it is hon. gentlemen opposite. We have these roads, and to-day we cannot do without them. They touch so many vital points not only in the older portions of this Dominion, but in the newer territory as well, that it would be suicidal for this Government to allow these roads to go down. I have an abiding faith that the Canadian Northern with all its difficulties, and despite all its trials in the past, will come out all right,

and that it will play a very great part in the carrying of the products of this country in the years that are to come.

On motion of Mr. A. K. Maclean, the debate was ajourned.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the chair.

Post office, outside service—Salaries and allowances, mail service, miscellaneous, Yukon territory, $13,958,564.25.

Mr. CARROLL: I wish to bring to the attention of the Postmaster General the dismissal of the postmaster at Bridgeport, in the riding of South Cape Breton. I wish to place on 'Hansard' and before the House the correspondence that took place between the Post Office Department and the postmaster at Bridgeport, Mr. Joseph McMillan, and some other correspondence. On April 9, 1912, the Postmaster General received the following telegram:

Please investigate Joseph McMillan, postmaster, Bridgeport. Official political partisan. If dismissed beg to recommend Daniel Cameron, Bridgeport, to succeed him.

(Sgd) J. W. Maddin.

In reply to that, Mr. Verret, the assistant Deputy Postmaster General, wrote to Mr. Maddin stating that the usual course was to write to Mr. McMillan first, and afterwards to have the matter investigated. On April 11, 1912, the following letter was sent to Mr. Jos. McMillan, postmaster at Bridgeport:

Sir,—I am directed to inform you that it is represented to this department that you have taken a more active part in elections, federal or provincial, than quietly polling your vote since the date of your appointment as postmaster. The Postmaster General desires to know, therefore, what you have to say in reply to the charge in question.

That letter is signed by William Smith, the secretary, I presume, of the Postmaster General. Mr. McMillan answered this letter on April 15, 1912:

To the Postmaster General,
Ottawa, Canada.

Sir,—In reply to your communication, No. 54747, dated April 11, I beg leave to say that I know of no reason why such a charge as stated should be made against me, and I further submit that I have performed my duties as postmaster honestly, faithfully and impartially, and without fear or favour.

Respectfully yours,
(Sgd) J. McMillan.

In answer to that letter, Mr. Hector B. Verret wrote Mr. McMillan on the 23rd of April, 1912, as follows:

[Mr. Nesbitt.]

Sir,—With reference to the communication addressed to you from this department, under date of 11th instant, in regard to the representations made to the department that you had been guilty of active political partisanship, and to your reply thereto, dated the 15th instant, I beg to say that in view of the statements made in your letter, it is presumed that you will have no objection to sign the solemn declaration herewith enclosed, which should be attested before a Justice of the Peace.

The declaration to which Mr. Verret refers was signed by Mr. McMillan, and reads as follows:

1. That I was appointed postmaster in the year 1908;
2. That since my appointment as postmaster, I have taken no active part in federal or provincial elections; I have not canvassed or taken any voters to the polls, nor have I offered or given any money or liquor, or represented any candidate at any polling division; I have not checked or verified any list of voters outside any polling station; neither did I take part in any committee of organization or address a meeting in favour of any candidate, and I did not interrupt any public speaker during the course of any meeting.
3. All I did was to quietly cast my vote.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

And I have signed,
(Sd) Joseph McMillan.

Declared before me at Bridgeport, N.S., this 26th day of April, 1912.

(Sgd) Alex. O. McDonald,,
Justice of the Peace in and for the county of Cape Breton, N.S.

The letter that accompanied that affidavit has no bearing on the case, but the following letter was addressed to Mr. McMillan by Mr. Hector Verret in answer to the letter covering the declaration I have read:

Ottawa, April 30, 1912.

Dear Sir,—I am directed to acknowledge receipt of your solemn declaration, denying the charges of political partisanship which have been preferred against you.

You are no doubt aware that this declaration is as binding as any statement made under oath, and in view of the statements made to this department as to your political activity, your declaration seems inexplainable.

Under the circumstances, it becomes necessary to ascertain who is telling the truth, and the department will consequently proceed to make the necessary inquiries towards this end.

Yours very truly,
(Sgd) Hector B. Verret,
Assistant Deputy Postmaster General.

The department, then, undertakes to ascertain who is telling the truth as between the gentleman who made the charge against McMillan, and McMillan, whose declaration exonerates him, so far as I

can see, from ever having taken any part in politics since the date of his appointment. Then, there is the following letter, dated Ottawa, May 21, 1912:

Acting under authority of an Order in Council dated the 27th November, 1896, copy of which is herewith, I beg to request that you will undertake a judicial inquiry into certain charges which have been made against Mr. Joseph McMillan, postmaster at Bridgeport, Nova Scotia, in the county of South Cape Breton, Nova Scotia, of political partisanship during his incumbency of that office.

Your allowance will be $15 per diem, in addition to your actual travelling expenses, and $3 per diem for living expenses. It will not be necessary to employ a shorthand writer or copyist. You will hear the witnesses pro and con and base your report on the evidence.

You will please give Mr. Thomas Callant, Inverness, N.S., and the postmaster due notice of the date on which the investigation is to be held.

I have the honour to be, Sir,
Your obedient servant,
(Sgd) L. P. Pelletier.

H. P. Duchemin, Esq., K.C.,
Sydney, N.S.

Mr. Duchemin acknowledged the receipt of that in a letter dated Sydney, May 25, 1912, in which he says that he will give the matter his very early attention. There are a few other letters in connection with this matter which do not have very much bearing on it. It seems that the gentlemen who made the charges against Mr. McMillan of political partisanship were unable to bring forward any evidence to show that he was guilty. Here is a letter dated Ottawa, August 12, 1912. Apparently it should be dated Sydney:

Hon. W. B. Nantel,
Acting Postmaster General,
Ottawa, Canada.

Dear Sir:

I am in receipt of your favour of the 18th instant, wherein you ask me to report at the earliest possible moment, the result of the investigation into charges against Mr. Joseph McMillan, postmaster at Bridgeport, N.S.

In reply I beg to state that no evidence has yet been offered me; that about a month ago, I wrote Mr. J. W. Maddin, advising him that this case was in hand, and that I have received no intimation from him that he has any evidence to offer; also, that Mr. J. C. Douglas, M.L.A., of Glace Bay, in answer to my inquiry regarding this case a fortnight ago, stated that he thought it would be better not to go ahead with it at the present time.

The case is still on my list, and as Bridgeport is so near at hand, I am prepared to take it up at any time the local complainants have evidence to submit. It is entirely in their hands.

Trusting that this explanation will be satisfactory, I remain,

Yours very truly,
(Sgd) H. P. Duchemin.

Next, there is a letter from Mr. Hector B. Verret, assistant Deputy Postmaster General, dated Ottawa, August 17, 1912, as follows:

I beg to ackowledge your letter of the 12th instant, stating that you have not yet taken up the investigation into the charges preferred against the postmaster of Bridgeport, N.S., Mr. Joseph McMillan, owing to the fact that you have not yet been advised by Mr. Maddin as to what evidence he may have to offer in the case.

In regard to this matter I am to say that a petition has been received for the removal of the Bridgeport post office to a more convenient location, and that this phase of the question will be investigated. In the meantime, you will hold your commission to investigate the political charges against this postmaster, in abeyance.

Yours very truly,
(Sgd) Hector B. Verret,
Assistant Deputy Postmaster General.

H. P. Duchemin, Esq.,
Barrister,
Sydney, N.S.

Apparently, when they found that they could not substantiate any charge against the postmaster of Bridgeport of political partisanship, the Conservative politicians down in that part of the country decided that they might get around it in another way and on August 17, 1912, they sent a memorial to the Post Office Department asking for the removal of the post office from the site it then occupied to another place in the village, which is really a part of the town of Glace Bay. With this object in view they sent to the Postmaster General, or his department, a petition signed by a great many people. I was rather surprised to see certain names on this petition. I am finding fault with the Postmaster General in this particular—and I asked three or four gentlemen whom I did not think would sign any petition of this kind what they did it for and their answer was that they had never signed it. I find there are the names of ten persons on this petition who do not get their mail in the Bridgeport post office at all and who would have no reason for asking for the removal of the Bridgeport post office from the former to the present location.

10 p.m.

Mr. BLAIN: What does the petition say?

Mr. CARROLL: The petition says:

We, the undersigned residents of Bridgeport in the town of Glace Bay, do humbly petition you to cause the post office at Bridgeport on the South riding in the county of Cape Breton to be changed from its present location to one which will be more convenient to the great majority of the residents of this section.

Mr. BLAIN: Is that it all?

Mr. CARROLL: Then it gives the prayer of the petition and the signatures. There is a report and it is on this report that I want to say something that perhaps may be offensive to certain gentlemen who are in the Post Office Department. I do not wish to say anything that may hurt their feelings in any way but I do not believe that the gentleman who presumed to make a sketch of the situation of the post office, and a general sketch of the village itself, ever saw the place or, if he did, he must have known that he was making a sketch that was absolutely wrong. I do not charge Mr. W. E. MacLellan with it but I do charge somebody in his department.

Mr. McKENZIE: Have you the request of the inspector asking him to report?

Mr. CARROLL: That is here but I did not read it. The report is as follows:

I enclose a sketch of the district showing the present and proposed sites of the office, the line of the Sydney and Louisburg railway, the line of the Sydney and Glace Bay Electric Tramway, the Bridgeport colliery, etc. The two sites are little more than one-eighth of a mile apart, but it will be seen from the sketch that the present site is not on the main road,—

That is falsehood No. 1.

—but on a side road and out of the way for the miners and the majority of the population. The proposed site is almost directly opposite the railway station—

That is correct.

and in the immediate vicinity of the colliery.

That also is correct.

The office is served from the Electric Tramway which has stopping places near the present site and also near the proposed site. The contract for carrying the mails between the post office and the tramway is held by the present postmaster, J. McMillan, for which he is paid $40 per annum. In the event of the transfer being authorized, the service would have to be put into the hands of the proposed postmaster, Dan. Cameron.

I have the honour to be, Sir,
Your obedient servant,
(Sgd) W. E. MacLellan,
Post Office Inspector.

The Hon. the Postmaster General,
Ottawa

When the papers were brought down, a copy of the sketch which Mr. McLellan said he enclosed in this letter, was not brought down.

Mr. PELLETIER: What is the date of Mr. McLellan's report?

Mr. CARROLL: The 21st of September, 1912.

I want to point out that the post office, where it was originally, was on the only main street in that section of the town. It was on the line of the Sydney and Glace Bay Tramway company; the cars stopped in front of it and always put the mails off there. The present locality is not on the main road; it is now not even on a public road, but on a road used by the Dominion Coal Company. So far as accommodating the people is concerned, the post office where it was, was in the only business section of the town. There are five or six stores in that section of Glace Bay, every one of which circles the post office where Mr. McMillan kept it; but where it is at present, there is no business carried on except in the railway station across the way of the Sydney and Louisburg Railway Company, which is a steam road.

Then comes a letter, dated September 26, from the hon. Postmaster General to Mr. J. W. Maddin. I want to be fair in the matter, and I do not know that I have any other criticism than this to make of the Postmaster General. In the first place, Mr. Maddin asked for the dismissal of Mr. McMillan on the grounds of political partisanship. The Post Office Department asked Mr. McMillan if he was a partisan and he replied that he was not. Oh, well, said Mr. Verret, of the Post Office Department, either one or the other is not telling the truth. Then Mr. McMillan was asked to make a declaration; and he did so, declaring that he had never, since the time he was installed as postmaster at Bridgeport, taken any part either directly or indirectly in political matters, and I believe him. He was appointed to that position, not because he was a Liberal—because he did not vote Liberal previous to that, although he may have voted Liberal after that—but on account of being a friend of a certain gentleman in that district and on account of his place of business being in a central locality. I hardly thought there was a man in this country who could sign such a declaration; but Mr. McMillan having signed it, I believe that he swore to what was absolutely the truth. Then Mr. Verret, an officer of the department, says: Mr. Maddin said that you acted in a partisan manner; you have sworn to the contrary; we will investigate the matter, and find out who is telling the truth. That was in the ordinary course of business, but the department although they searched high and low, could not find any evidence against Mr. McMillan to convict him of political partisanship. This is the criticism I have to make of the Department of the Postmaster General, that, those gentlemen having started to secure the dis-

missal of this man on the grounds of political partisanship and having failed in that, as shown by their own letters to the department, the Postmaster General and his department should have shown more caution in accepting the reports that came to them in connection with the second ruse that was being played for the purpose of getting this gentleman out of his position. When this matter was brought to my attention, I went to the trouble of writing to Mr. McMillan, asking him for a sketch of this particular part of the town. I knew it pretty well myself, but I wanted to have it in case it was ever asked for. I have the sketch now, and there is absolutely no truth in the statement made in the letter of Mr. McLellan, that this sketch would show that the present site of the post office was better than the last. As a matter of fact, there are false statements contained in that report. I do not say that Mr. McLellan made the false statements; I do not even say that the gentleman who reported to Mr. McLellan did so; but they were made somehow. That is evident to any man who knows the town of Glace Bay. The most startling thing is this, that, when I asked for this return, I asked for a report of the gentleman who investigated this matter, namely Mr. H. P. Duchemin of Sydney. I also asked how much the investigation cost. I think I have shown to the House that no investigation was ever held in connection with this matter at all. Yet the Department of the Postmaster General brings down a return showing that the cost of the investigation against the postmaster at Bridgeport was $17.75. This amount is not given in detail, and I am not very much surprised at that. A charge of $17.75 was made by the gentleman who was asked to investigate this matter and who in his own letter said that the matter was not investigated because there was no evidence forthcoming and because he was told by the officer of the department, Mr. Verret, that this matter should be held in abeyance, and because it was held in abeyance, where then comes the charge of $17.75 for making an investigation when no investigation was made?

Mr. WILLIAM CHISHOLM: Scores of similar cases.

Mr. CARROLL: If there are, I take the ground that a most rigid investigation should be held into all these matters; and I think that I am only doing my duty in bringing to the attention of the Postmaster General, first, that he and his department should have exercised more caution in having this man dismissed on the ground that his post office was in a certain position, when the thing was started first on the ground that he was a political partisan; secondly, that Mr. Duchemin has charged $17.75 for investigating this case which, on his own testimony and on the testimony of letters from the department, is shown never to have been investigated.

It is outrageous that men should be allowed to lose their offices on pretences of this kind. There are many people in my constituency who have lost postmasterships and other offices; but I am making no great complaint about that; if they have taken part in politics. If they are officials of the Government, and take an active part in politics, they should be willing to pay the penalty. The most of those who have been dismissed, with some notable exceptions, about which I am not going to say anything, are satisfied to pay the penalty by losing any little positions they may have had.

I think I have put this case plainly and quite mildly before the House. The Postmaster General should investigate this matter of Mr. Duchemin making a charge of $17.75 for work he never did. While I do not pretend to be in a position always to advise the Postmaster General, I would advise him in cases of this kind, which on their faces are suspicious, that he and the officers of his deparment should take care to see that no injustice is done as certainly has been done in this case.

Mr. PELLETIER: The fact that there was a bill put in and the amount paid, $17.75, is not explained on the file, and I shall be glad to look into it. If there was no investigation, if Mr. Duchemin did not go to Glace Bay, certainly there was no justification for the charge. We must have had an account of some kind. The fact that he wrote to the department letters about it and looked into the matter and obtained information would take him a full day at all events, and the instructions were that he should have $15 a day. This is a small matter, but still my hon. friend has the right to know facts, and I will certainly look into it.

Mr. CARROLL: This man never got any summons to appear, never was asked to appear, and did not appear.

Mr. PELLETIER: My hon. friend has read the instructions given Mr. Duchemin and knows that he was instructed to notify the postmaster if he held an investigation. If the postmaster did not receive a notice, clearly there was no investigation. My hon. friend has gone over a whole file, and I understand that there is no report by Mr. Duchemin that the case was investigated. Now, that the department should have been told that this postmaster should be dismissed for partisanship and yet no evidence adduced is a fact to be regretted. I myself have written letters which were easy to understand telling people who made charges, yet who did not come forward and prove them, that their action was unfair.

Mr. CARVELL: Locking the door after the horse is stolen.

Mr. PELLETIER: The hon. gentleman does not understand what I say. When people have made charges of partisanship against officials, yet have not done anything to prove those charges when the time came, I myself have reproached them for it.

Mr. CARVELL: You did not bother your head very much about that in my constituency.

Mr. PELLETIER: I have bothered my head about it wherever it occurred. I do not think it is fair to the department or to myself to make charges against an official which cannot be sustained. And it looks like striking below the belt besides. Whether done by my political friends or others, I say it is not fair. Whether this is a case of that kind I do not know. From what was read by the hon. member for South Cape Breton, I should infer that these people, when the time came to prove their charges, said that the time was not opportune.

Mr. CARROLL: No, there was simply no evidence forthcoming.

Mr. PELLETIER: At all events, the letter will appear on 'Hansard.' It may be that the witnesses who could prove the charges were away at the time. But, let it be remembered, this man was not dismissed on account of these charges; the charges not having been sustained, the man was not dismissed on that account. But we find that a largely signed petition was sent to the department, in which it was alleged that the post office was not at the point where it ought to be. I did not act in this matter, but the action was taken in this case which is invariably taken—it was referred to the post office inspector. Now, officers of the department are not entrusted as a rule with the investigation of the charges of partisanship. But invariably, or with very few exceptions, allegations about the management of the offices or their location are investigated, not by outsiders, but by officers of the department, and almost always by the post office inspector. In this case requests for the change in the site of the post office was referred to the post office inspector in Halifax, Mr. Maclellan. I will not say anything either in favour of or against Mr. Maclellan; I have not the pleasure of knowing him. But I appeal to hon. members of this House from Nova Scotia, and I think that there is not one but will tell me that Mr. Maclellan is a reliable officer and an honest man. He was simply asked to report, and no pressure was put upon him. His report practically says that there should be a change in the site of the post office for the reasons he gives.

Mr. CARROLL: But his facts are not correct.

Mr. PELLETIER: My hon. friend says the facts are not given correctly and that the sketch accompanying the letter is not right.

Mr. CARROLL: I am not in a position to speak as to the sketch, not having seen it. Mr. Maclellan may have been misled as to the facts by some one in the locality.

Mr. PELLETIER: But are the facts correct?

Mr. CARROLL: No.

Mr. PELLETIER: If they are not correct the department will have reason to doubt the efficiency of that officer. This I would regret very much, for I have always been told that Mr. Maclellan is an absolutely trustworthy and reliable official. The hon. member for South Cape Breton says that he has no fault to find with Mr. Maclellan, but Mr. Maclellan is responsible.

Mr. CARROLL: I take the ground that if he is responsible he should be held responsible for the false report which he has made to the department, and he should be asked to give the Postmaster General a reason for that false report.

Mr. PELLETIER: I am not going to disagree with that view. Having been informed by a member of this House, who is

familiar with the place in question, that a report made by one of my officers is not correct, I shall certainly send a copy of 'Hansard' to this officer and ask him for an explanation. If what my hon. friend says is true, we have been deceived by that officer. Mr. Maclellan had no business to write to the department anything which was not true. His report shows that this post office should be changed; if we have made a mistake, we have made it because of this report made by our inspector.

Mr. CARVELL: I suppose you will reinstate the dismissed official if you find that the report is wrong?

Mr. PELLETIER: Certainly, if we have been deceived by our officer. The hon. member for South Cape Breton will agree with me when I say that this man was dismissed because the site was changed and for no other reason. If Mr. Maclellan deceived us in sending the document upon which was based the changing of the site; if the statements he made are not true, we shall certainly see that the matter is righted.

Mr. SINCLAIR: The minister is very angry—at least, he pretends to be very angry—about getting incorrect information, but the fact that these two matters followed one another in direct sequence is a very suspicious circumstance. When my hon. friend attempts to dismiss a postmaster and is unable to do so for one reason, he invariably finds another reason for taking action. I wish to draw the attention of the Postmaster General to a similar case which occurred in my own constituency. He says it is not fair that the people in the country should complain about postmasters and then fail to substantiate their complaints. According to my view of the way the Postmaster General administers his department, it is a foolish waste of energy for persons to make these partisan complaints, because the Postmaster General is so fertile in resources that he will find some way of getting rid of the officer whether there is a complaint or not. The case to which I wish to direct my hon. friend's attention is the dismissal of Charles McPherson, a postmaster at North Riverside in the county of Guysborough. I had a good deal of difficulty in finding out the name of the man who made the complaint against Mr. McPherson; I suppose that the name McPherson makes my hon. friend a little suspicious because, no doubt, he had in mind the celebrated case of the McPherson whom he tried to dismiss four years after he had departed this life. If my hon. friend would consult us on this side about these matters it would be better for himself. The hon. member for South Cape Breton could have told the Postmaster General all the details about the facts in relation to the matter to which he has referred: If the hon. gentleman had taken the trouble to ask me about the case of the late John McPherson of Tracadie Road I would have been able to inform him that Mr. McPherson had been dead four years and the Postmaster General would have escaped the odium of being charged with digging around in a graveyard and attempting to dismiss a man who had long since departed this life. I want, however, to be permitted to point out how this man Charles McPherson happened to be dismissed. The first communication on the subject is a letter from a man by the name of James R. McPherson, written to the Right Hon. R. L. Borden, Prime Minister of Canada. It is as follows:

Honourable Sir,—Charles McPherson, postmaster of this place, was appointed postmaster on the eve of the last election under the Laurier Administration and he is a strong Grit, always was and always will be. And he supported the Liberal councillor on the 4th of November last. Ever since the Conservative Government came into power I have been looking for his dismissal and I want to be appointed postmaster myself. I have been a Conservative all my life and a near neighbour of Mr. Charles McPherson and as yet I have not got much satisfaction concerning his dismissal and my appointment. Enclosed please find last letter from Mr. G. A. R. Rowlings, which speaks for itself.

Mr. Rowlings was the defeated candidate in the constituency in the last election, and resides in the city of Sydney, N.S. (Reading):

Now, Sir, I wish you to look in this matter and see that this Grit is removed from office.

I am, Sir,
your obedient servant,
(Sgd) James R. McPherson.

This man evidently is not afraid to speak up to the Prime Minister of this country. He charges the man who holds the office with being a strong Grit and with having voted at the municipal election for a Liberal candidate. The following letter was written by Mr. Rowlings:

Sydney, N.S., December 13, 1913.

Mr. James R. McPherson,
South Intervale,
Guysborough county, N.S.

Dear Sir,—I have had considerable correspondence with the department about the North

Riverside post office, but I regret to say that I have not had any attention as yet. I have asked for an investigation and they have told me that they would like to know what specific acts of partisanship can be proved. Of course I have submitted the fact that the present postmaster got his position on the eve of the last election.

Yours very truly,
(Sgd) G. A. R. Rowlings.

This letter does not seem to have been answered by the Prime Minister. It is answered by the Deputy Postmaster General, on January 22, 1914, as follows:

Sir,—It is represented to this department that since your appointment as postmaster at North Riverside, you have taken an active part in federal, provincial and municipal elections.

I am therefore directed to request that you will be good enough to say whether this is true. If the accusation is not well founded I presume you will have no objection to signing the solemn declaration herewith enclosed which should be attested before a justice of the peace.

An early reply is requested.

I am, Sir,
Your obedient servant,
(Sgd) R. M. Coulter,
Deputy Postmaster General.

Mr. McPherson had apparently had no difficulty in making the declaration asked for because there had not been an election since the date of his appointment. It happened this office was open about the time of the last general election and there was no postmaster. The office had been opened but no one had been appointed. After the defeat of the late Government, and about a fortnight before the present Government came into power, I was asked to recommend a gentleman for the post office and I recommended Charles McPherson. His place was centrally located, and he was acceptable to the people, both Liberals and Conservatives. Mr. McPherson makes this affidavit:

I, the undersigned, postmaster at North Riverside, do solemnly declare:

1. That I was appointed postmaster in the year one thousand nine hundred and eleven.

2. That since my appointment as postmaster, I have taken no active part in federal or provincial elections.

I have not canvassed or taken any voters to the poll, nor have I offered or given money or liquor, or represented any candidate at any polling division. I have not checked or verified any list of voters outside any polling station, neither did I take part in any committee or organization or address a meeting in favour of any candidate and I did not interrupt any public speaker during the course of any meeting.

3. That I have taken no part in the Liberal interest in the municipal election held on the 4th November, 1913.

4. All I did was to quietly cast my vote. And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

And I have signed,
(Sgd) Charles McPherson,
Postmaster.

Declared before me at Boylston this 27th January, 1914.

(Sgd) William G. Simpson,
A Justice of the Peace, for the county of Guysborough.

This postmaster was able to comply with all the stringent rules of my hon. friend. He swore that since his appointment he had taken no part in federal, provincial or municipal elections, except to quietly poll his vote. But that does not seem to have helped him very much. Then we have a letter written to the department by Mr. Rowlings. There is consternation now in the department because all the props have been knocked from under their feet and there does not seem to be any way of getting this Liberal postmaster out of office. A letter was written from Ottawa on February 5, 1913, to Mr. Rowlings:

Ottawa, Ont., February 5, 1914.

Dear Sir,—This department lately received through the Prime Minister a communication from Mr. James R. McPherson charging the postmaster of North Riverside with political partisanship and also a letter addressed to Mr. McPherson on the subject by you.

The postmaster, I may say, was asked to sign a solemn declaration in connection with the charge, and he has returned the declaration duly signed. A copy of the declaration is enclosed herewith for your information and for any observations which you may care to make in the matter.

Yours very truly,
(Sgd.) Hector B. Verret,
Assistant Deputy Postmaster General.

G. A. R. Rowlings, Esq.,
Sydney, N.S.

To this, Mr. Rowlings makes this reply:

Sydney, N.S., March 3, 1914.

Hector P. Verret, Esq.,
Assistant Deputy Postmaster General,
Ottawa, Ont.

Dear Sir,—Referring to your favour of February 5, I beg to say that I would recommend that the application of Mr. James R. McPherson for the appointment of postmaster at North Riverside, Guysborough county, be granted. The establishment of this post office was made after the defeat of the late Administration and the present officials appointed sev--eral days after the late Government was defeated at the polls There is little doubt that the present official, Mr Charles McPherson, received the appointment as a reward for political services, and I hardly see how the present Administration can endorse his appointment and ratify the same under the circumstances mentioned.

Yours very truly,
(Sgd) G. A. R. Rowlings.

You will see that he shifts his ground now and tries to find some other reason that will satisfy the Postmaster General for dismissing this man. He makes no reference to the affidavit, but knowing that there is always some way of getting Liberals out, either by changing the site of the post office or otherwise, he thinks of this device and presents it to my hon. friend. Then we have the order to dismiss Charles McPherson. There is a letter of protest, however, from William A. McDonald, who describes himself as a staunch Conservative. Mr. McDonald says:

North Riverside, March 27, 1914.

The Post Office Inspector,
Halifax.

Dear Sir,—I am taking the liberty of writing you a few lines concerning our post office here at North Riverside, which was established about two years ago, it being one of the acts of John Sinclair when the Liberals were going out of power. This office is situated about midway between Boylston and Intervale, about three and a-half miles from each. The present postmaster is Charley McPherson, who had been a Liberal in politics. I may say of him he has kept the office in an honest and trustworthy manner, it has been a benefit to us. Now, a word about myself.

I am a staunch Conservative, and was appointed a delegate by the Conservatives of this polling district, and the Conservatives of this community have asked me to speak in our defence.

There is a man by the name of James McPherson agitating for to get this office for nearly two years. He reports now that he will have it first of April. Now, I will reluctantly have to tell you the truth. The office is in a central place, convenient to the people, held by a Liberal, and Liberals at both sides of it for some distance.

The Conservatives are in the west corner, and just at present we are satisfied where it is, as we sometimes get more flies with honey than vinegar.

In the meantime, if any good honest Conservative will take the office we are satisfied.

I am going to send you a list of property owners so you may know if you receive the right names.

David O'Connor, Thomas Gillie, James Clarey, William A. McDonald, James A. McDonald, John McDonald, Angus McDonald, William McPherson, Edmond McDonald—all Conservatives.

James Fraser, Charles McPherson, Thadeus Leet, Alex. Delroy, Joseph Delroy, C. Bryner, Cris. McDonald, William Cleary, William McPherson—Liberals.

Your obedient servant,
(Sgd) William A. McDonald.

It appears the Mr. McDonald's appeal had no effect on the Postmaster General. The facts that this office was in a central place and convenient to the public and that there was no Conservative in the centre of the district who could take this office, seemed to have no influence at all with the Postmaster General.

I have cited this case to show the methods applied by the Postmaster General in getting rid of Liberal postmasters. There was no pretence of any complaint against this man. He was satisfactory not only to the Liberals of the district but to most of the Conservatives as well. The office was in a central place and everything was going along first rate until this man, James McPherson, cropped up who says that he has been a Conservative all his life and wants the job. There is no evidence that a single person wanted that man removed from office, except McPherson who wanted the job for himself.

Mr. STEELE: What salary is attached to the office?

Mr. SINCLAIR: I have no doubt it is $35. The salary does not amount to much; the point is the inconvenience that is caused the people of the district by having to go to the west end in order to get their mail, whereas the former office was central. I am only bringing this up as a sample case. I have a number of other such cases in my desk showing the fertility of resource of the Postmaster General in finding reasons for dismissing Liberal officials who are not guilty of partisanship.

Mr. PELLETIER: My hon. friend has explained the facts pretty well, I think, and I do not need to add much to what he has said. I think this office can be regarded as the legitimate patronage of the party coming into power.

Mr. ERNEST LAPOINTE (Kamouraska). —Mr. Chairman, I do not wish to take up the question of the dismissals of postmasters in my constituency, as most of them have been relieved of office for various reasons. Let me refer briefly to one case: that of Miss Paradis, of Kamouraska, who was dismissed on account of her political leanings, and also because on the evening of polling day she had put up lights in her window to celebrate the victory of the member for Kamouraska.

Before going any farther and launching into any crilticism of his management of the Post Office Department. I would like to enquire from the Postmaster General whether he will be so kind as to consider an application which I myself submitted, in the course of last summer, for the opening of a post office at a certain point of Kamouraska county called River Menie. That thriving centre is situated on the line of the Transcontinental railway and has a great future in store, for people are bound to settle

within a few years in numbers at that point where large sawmills are already in existence. I forwarded to the department a petition bearing many signatures. The locality referred to is situated within the limits of the municipality of St. Bruno where the River Menie Pulp Company has a mill.

I fail to see why that petition has not been granted. It seems to me a post office in that locality would be as much in the public interest as the numerous post offices which have been granted to my hon. friend from L'Islet (Mr. Paquet), whom—though I do not see him at his seat just now—I wish to congratulate on the activity he has shown in the matter of the opening of post offices throughout his constituency. I have in hand a report showing that during the year 1912-13, fourteen new post offices have been opened in the county of L'Islet.

The hon. Postmaster General stated the other day that he managed his department on business lines. However, I do not think the report I have in my hand supports his contention, at any rate as concerns the county of L'Islet. These fourteen post offices bear historic names for the most part. My hon. friend is entitled to our encomiums, the selection of the names bearing testimony to his literary, political and even military tastes. We have, in the first place, Chapais, a beautiful name, well known in the county of Kamouraska. Then we have Berryer and Artois, the latter I imagine, to satisfy his warlike disposition; Bégin, as evidence of his religious faith, La France, Frenette, Ozanam, Deniau, Bourgault, Botrel, the French national bard, Pasteur, the great healer of hydrophobia. However, when I reached Pinquet, I was astounded, and also Lachance.

Of course these are beautiful names, but from a business standpoint, I fail to perceive how the department will make a success of it. The total revenue forthcoming from these post offices was $710.81; salaries paid amount to $549.05, and the total expenditure for the carrying of the mails reached $1,093.99. So that the expenditure under all heads made up a total of practically $1,600, while the revenue barely reached $700. As regards some of these post offices, the revenue accruing from the sale of postage stamps reached for a period of two years the fabulous amount of $22. In another office, the revenue from that source did not exceed $19.50, while the carriage of the mails cost $37.50, to which should be added $21.50 for the salary of the postmaster.

I should add that more post offices have been opened since. I am not jealous of the favours granted to the county of L'Islet, and I am pointing out the fact solely for the purpose of showing that the department is not managed in a business way and to show how constituencies represented by liberals are dealt with in comparison. Subsequent to the date of that report, the Giasson post office, among others, has been opened in the parish of St. Aubert. The application was made by my hon. friend from L'Islet, and I cannot do any better than read his letter.

St. Aubert, April 1, 1914.

Hon. L. P. Pelletier,
Postmaster General.

Dear Sir,—I recommend the opening of a post office at a point situated one mile and a half to the east of the St. Aubert central post office, at the place of Mr. Georges Fournier, farmer. There are eight families residing at distances of four miles and four miles and three-quarters from the church and central office. On account of the peculiar way in which the settlement is laid out, the new post office cannot be located any further from the central office.

Close to Mr. Fournier's place there is a settlement of labourers, without means of conveyance. We have a storekeeper, a school, a real estate man, a flour mill and fifteen labourers living there. That office would be helpful more particularly to the labourers who, in winter time, cannot easily get their mail. I suggest the name of Giasson. I suggest that the service be daily and the contract awarded to Mr. St. Pierre, at 25 cents per trip, $77.50. I am sending the names of those who are asking for that new post office. Thanks.

Yours,

Dr. E. Paquet.

And the hon. member followed up that letter with a list of names. It is not the signatures of residents of St. Aubert that appear on that list, it is merely a list of names supplied by the hon. member.

Mr. PAQUET.—Will the hon. gentleman read the names?

Mr. LAPOINTE.—I say that these are not the signatures of these people.

Mr. PAQUET: Will the hon. gentleman take note that in one instance the application is signed by Cyrias Dubé?

Mr. LAPOINTE: The return which I have in my hands does not bear the signatures of the people who are supposed to ask for opening of a post office. The statement is merely that the families whose names are given request the opening of a new post office at Mr. George Fournier's, St. Aubert. I shall now read the list of names:

Zéphirin Dubé, farmer; Auguste Dubé, farmer; Joseph Dubé, farmer; Widow Aubert Pelletier; Widow Hozanna Pelletier; Charles Morin, farmer; Octave Picard, labourer; Philias Dubé, farmer; Maximin Pelletier, farmer; J. B. Pelletier, farmer; François Pelletier,

farmer; Aubet Fournier, farmer; Prudent D'Aigle, farmer; Abondance Thibault, labourer.

Mr. LEMIEUX: Abondance!

Mr. LAPOINTE: Yes, Abondance Thibault.

M. Daigle, labourer; George Pelletier, mill-owner; J.-B. Pelletier, mill-owner; Silva Riou, storekeeper, School House.

The hon. member for L'Islet will not contend that he got the school house to sign.

(Reading)—

Joseph Fortin, sr., labourer.

Mr. PAQUET: Does the hon. gentleman say that I got the signatures of these people?

Mr. LAPOINTE: I am only reading the names which have been forwarded to the department.

(Reading)—

Joseph Fortin, jr., labourer; Cyrias Dubé, labourer; Calixte Fournier, labourer; François D'Aigle, labourer; Désiré D'Aigle, labourer; Salluste D'Aigle, real estate agent; Georges Fournier, farmer; Calixte Jeais, farmer; David Jeais, farmer; Amédée Langlois, jr., labourer; Arthur Fournier, farmer; Gaspard Caron, farmer; Georges Tremblay, labourer.

St. Aubert, January 3, 1914.

Mr. PAQUET: Does the hon. member contend that I got the signatures of those people?

Mr. LAPOINTE: I contend nothing of the sort; I am simply reading the names supplied to the department.

To that letter the Postmaster General replied on January 10, 1914, stating that he was instructing the inspector to prepare a report on the matter. Forthwith the post office was opened a mile or a mile and a half away from the office already in existence at St. Aubert.

I now find included in the report a letter addressed to the Postmaster General protesting against the decision, and giving reasons in support. That letter is signed by Mr. Cyrias Dubé and eighteen other citizens of St. Aubert. The letter reads as follows:

Quebec, March 17, 1914.

To the Hon. Louis Philippe Pelletier,
Postmaster General,
Ottawa.

Sir,—I beg to forward to you herewith a petition from twenty ratepayers of St. Aubert, all affected by the opening of the new post office in that parish, below the church, and designated 'Giasson.' The residents in that township never requested the opening if that town-office, which far from accommodating them is a nuisance, and that, for the reasons stated in the petition I am forwarding to you.

I trust you will have the kindness of duly considering our request and that you will do away with that post office, which is of no use to us and is rather an inconvenience.

I have the honour to be, sir,

Your most humble servant,

(Signed) Cyrias Dubé.

Province of Quebec,
Parish of St. Aubert.

The undersigned ratepayers of the parish of St. Aubert beg to submit to the consideration of the honourable Postmaster General the following facts:—

(1) That they are residents in the district wherein a new post office bearing the name of Giasson has been opened.

(2) That they never requested the opening of that post office, which is of no service, and is rather an inconvenience.

(3) That it is much easier for the residents in that vicinity to receive and deliver their mail at the post office close to the church, as that has always been the case heretofore, their business calling them at frequent intervals to the village.

(4) That on Sundays especially, the necessity under which they are put of calling at that post office to get their mail, instead of getting it at the post office next the church, after service is over, is of great inconvenience to them, as it occasions delay on their way home and impedes circulation.

For the above reasons the undersigned request that the honourable Postmaster General close that post office and allow the undersigned to get their mail at the post office next to the church, as they have always done heretofore.

(Sgd.) Cyrias Dubé, his x mark; Philias Dubé, Joseph C. Bernier, Joseph Gagnon, Omer Gagnon, Aubert Fournier, Prudent D'Aigle, Désiré D'Aigle, François D'Aigle, Auguste Dubé, Joseph Dubé, Honoré Robichaud, Wilfrid Robichaud, Xavier Robichaud, François Pelletier, Amable Pelletier, Jean-Baptiste Pelletier, Octave Picard, Joseph Picard.

St. Aubert, March 16, 1914.

As will be noticed, nineteen residents have signed that protest. The representative of L'Islet stated in his letter requesting the opening of that post office that there are not more than twenty persons interested, and, out of that number, nineteen have signed a petition requesting that this post office be closed.

I see by the return that this request was immediately forwarded to the hon. member for L'Islet under cover of a departmental letter dated March 24, 1914. To that letter I find the following answer addressed to the department by the member for L'Islet:

To Mr. H. B. Verret,
Assistant Deputy Postmaster General,
Ottawa.

Dear Sir,—I am in receipt of your letter in reference to the opening of the Giasson post office. I shall take the first opportunity of passing at your office.

Yours,

Dr. E. Pâquet.

The return contains nothing further, which goes to show that he is responsible for the opening of that post office, and that he had been begging to get that post office opened. There is no politics in this connection, and the member for L'Islet will admit that, barring one or two exceptions, all these people supported him at the last election and belong to the Conservative party. That post office was opened with the sole object of enabling some one to earn a few dollars as postmaster and in the shape of house rent. And it is known that in a locality such as this where there is no need for it whatever, the opening of further post offices is rather harmful. As a matter of fact those interested have been refused their mail at the St. Aubert post office, where they go every Sunday to attend at church, and they are obliged to stop at Giasson to get it.

Mr. LEMIEUX: What was the minister's answer to that protest?

Mr. LAPOINTE: The answer was as follows:

Ottawa, March 19, 1914.

Mr. Cyrias Dubé,
St. Aubert, L'Islet Co., Quebec.

Sir,—I am directed to acknowledge the receipt of your letter of the 17th instant, enclosing a petition in reference to the Giasson post office, in the Parish of St. Aubert, county of L'Islet.

I have the honour, etc.,
A. W. Throop,
Secretary.

Mr. PAQUET: Will the hon. gentleman hand me over the papers?

Mr. LAPOINTE: Certainly. I have found fault with the policy followed by the department as regards the opening of further post offices in the county of L'Islet. I have now to find fault with the opening of a post office—it was not opened on any application from me—in the parish of St. Philippe de Néri, in the county of Kamouraska. That parish, according to the last census, has a population of about nine hundred souls. I am sure that the hon. gentleman is well posted on the question. Following on the last election, in that parish as well as in all others, it was deemed proper to dismiss the postmaster if he happened to be a Liberal. The postmaster I refer to did not await dismissal, he resigned at once. A Mr. Roy was recommended by Mr. Potvin, my opponent who was defeated at the polls. The majority in the parish were in favour of appointing some one else, a Mr. Lebrun. Mr. Potvin's nominee was appointed all the same. But a protest was forwarded to the hon. minister. Matters remained at that point until the month of May, 1912, when the provincial elections took place. My hon. friend the Postmaster General remembers no doubt the trip he made in company with the Minister of Railways, to hear complaints and endeavour to create a better feeling. In the parish of St. Philippe de Néri, an ultimatum was delivered to the leader of the Conservative party, intimating, that, unless the post office was removed from Mr. Roy's to Mr. Lebrun's, forty-five Conservatives, to say the least, would abstain from voting. Those who are familiar with that constituency know what that meant. There followed an exchange of messages between Ottawa, Quebec and St. Philippe de Néri, and finally, on the eve of polling day, an official of the Post Office Department arrived from Quebec, and to the utter surprise of all, a new post office was opened at a distance of about four arpents from the other, under the name of St. Philippe de Néri West. So that, in a parish with a population of nine hundred souls, comprising a small village, of thirty or forty households, as is to be found in all parishes of that size, there are two post offices. East and West, within an area of a few arpents only. I imagined that would last only until after the election; but I must congratulate the hon. gentleman, he was persevering, and both post offices are still in operation.

Mr. LEMIEUX: What was the effect on the result of the election?

Mr. LAPOINTE: The Liberal candidate was not injured, but the insurgents were soothed and went to the polls, in accordance with the wishes of the hon. Postmaster General. It was a fine exhibition of electoral diplomacy; but from the view-point of the management of postal affairs, it did not turn out so satisfactorily. I have secured a report of the business of those two offices since their opening, that is, from June 1, 1912, to December 31, 1913. The St. Philippe de Néri West post office has yielded a revenue of $592.01, while the expenditure on the same account totalled $394.02. That is a better showing than that of the new post offices in the county of L'Islet, since there is a surplus of about $200. The report of St. Philippe de Néri East has not been so satisfactory, since the earnings have reached the figure of $311.34; postage stamps sold, $280.43, commissions

on money orders, etc., $31.02; while the expenditure amounted to $305.54; the surplus then only amounted to $6, and the postmaster's salary has necessitated an expenditure of $233.16, covering a period during which he sold for $280.32 worth of postage stamps. Hence it will be seen that the salary has practically absorbed the whole revenue of the post office. It will also be noticed that in the above mentioned expenditure the cost of the carrying of the mail is not included. I say that under the circumstances the opening of these two offices, East and West, does not by any means show that the Post Office Department is administered on the same lines as a bank.

Mr. ETHIER.—On the same lines as the Farmers Bank.

Mr. LAPOINTE.—As suggested by my hon. friend from Two Mountains, it is rather on the lines of the Farmers Bank that the Post Office Department was managed in that case, and I do not think such a state of things is allowable. Should the hon. gentleman be anxious to open new post offices, I am in a position to point out to him places where they are actually needed. But those two post offices at St. Philippe de Néri are a scandal, and I do not think the voters in that county feel grateful on that account either to the minister or the government.

There is another question which I wish to deal with, and it is preferable that I should do so right now. It is in connection with a contract for the carrying of the mail between St. Eleuthere and a place called Sully on the Transcontinental. Mr. Alfred Levasseur had that contract at $220 per annum. It expired on October 1, 1913. On September 9, Mr. Levasseur wrote to the Department the following letter:

St. Eleuthère, September 9, 1913.

Post Office Department,
Ottawa.

Sir,—As my contract for the carrying of the mail between St. Eleuthère, in the county of Kamouraska, and Sully, in the county of Temiscouata, was due to terminate on October 1, I wrote in that connection to the Post Office Department, Quebec, asking $150 instead of $220 per annum, as renewal price of my contract, seeing that I had the horses and vehicle to carry on the work, that being $70 below the original contract price. The Quebec department writes me in this connection stating that any representations I may have to make should be transmitted to Ottawa. Accordingly I am forwarding you that same tender.

(Signed). Alfred Levasseur.
by J. Z. C.

Mr. PELLETIER.—Is that the former contractor?

Mr. LAPOINTE.—Yes he was the former contractor, and he received the following reply:

September 18, 1913.

To Mr. Alfred Levasseur,
St. Eleuthère, Quebec.

Dear Sir,—I beg to acknowledge the receipt of your letter of the 9th instant, by which you offer to undertake the carrying of the mail between St. Eleuthère and Sully at the rate of $150 per annum.

In reply, I must say that the department has concluded other arrangements for that service.

Yours, etc.,
G. C. Anderson,
Superintendent.

Now I see by the contract which is included in the return that the work has been awarded to Mr. Christophe Lévesque, on October 1, 1913, at the rate of $200 per annum, without tender, after the Department had refused to renew the contract with the former contractor, who offered to carry on the service for $150. It was awarded to that man Lévesque at $50 more than Levasseur offered to do it for.

Mr. PELLETIER.—How much did the former contractor get, was it not $220?

Mr. LAPOINTE.—He received $220 and he had written to the department that he would carry on the work for $150. But a new arrangement was entered into whereby $50 more were given.

Mr. PELLETIER.—The contract was awarded at $20 less than previously.

Mr. LAPOINTE.—Certainly, but you might have got the work done for $50 less by accepting the last offer made by the former contractor.

Mr. PELLETIER.—But our arrangements were concluded then.

Mr. LAPOINTE.—Mr. Levasseur's offer was dated September 9, and the contract was not awarded until the 1st of October, 1913. As early as the month of June, the dispenser of patronage, Mr. Potvin, wrote to the department and requested that this contract be awarded to Christophe Lévesque. He was informed in reply that the said contract being for an amount exceeding $200, it was necessary to call for tenders. Mr. Potvin wrote back that Lévesque was ready to take the contract at $200, with a view to doing away with the call for tenders. Nothing was done until the end of September, that is one month previous to the expiry of the contract, though Levasseur had written in September that he was willing to carry on the work for $150. The department refused and awarded the same contract to another at the rate of

$200. That is another instance of the minister's unbusinesslike management of his department.

Mr. PELLETIER.—In the case of St. Philippe de Néri, there is room for discussion, but this one is perfectly clear. Here is a man who has a contract at the rate of $220. It should be noticed that the rule of the department is to renew these contracts a long time before the date of expiry is at hand. In this instance we have a service which costs $220 and we find a man who is ready to do it for $200. The distance to be covered would even justify a contract for a larger amount, and even $220 was not too much pay, considering the work to be performed. When the former contractor learned that we had made arrangements whereby that work was to be done for $20 less, he wrote to the department offering to carry on the service for $150. At that price the man could not make a living.

Mr. LAPOINTE.—Why did you not call for tenders?

Mr. PELLETIER: Because tenders are never called for in connection with contracts for $200 or less. The cost of advertising, etc., would not justify such a course. Our rule is always to award the contract whenever we are satisfied that the price asked for is reasonable. In the case referred to by my hon. friend, we renewed the contract at $20 below the price paid the previous year. That is why Mr. Anderson answered that our arrangements were concluded.

Mr. MICHAUD: Was the contract signed?

Mr. PELLETIER: No, but that does not make any difference, provided the head of the branch has committed himself, it is not necessary that the contract be signed, to bind the department; the contract may be signed only a month or two later, it makes no difference. My hon. friend spoke of what we had done at St. Philippe de Néri—

Mr. LEMIEUX: Your patron saint.

Mr. PELLETIER: Yes, that may explain why I was generous in my dealings with that parish and granted two post offices. There are many localities with no more than 900 souls and where two post offices are in operation.

Mr. MICHAUD: There are many places with a population of 900 souls and that have only one post office.

[Mr. E. Lapointe.]

Mr. PELLETIER: If my hon. friend from Kamouraska has requests to forward for more post offices, it would be a mistake on his part to believe that I would refuse because the county is represented by a Liberal. I would not think myself justified in so doing. My hon. friend from Rouville stated last year that in following that policy I was only doing my duty. That may be, but I would like people to realize that such is the case. There are a good many constituencies in the province of Quebec where we cannot hope to win, because the Liberal majority is so overwhelming, that it seems impossible that we should overcome it. I shall not give out any names; I would rather continue entertaining some hope. Take for instance rural mail delivery. Is it not a fact that this service is being carried on in constituencies strongly supporting the liberal party as well as in others?

Mr. LEMIEUX.—It is no doubt because liberal constituencies are more enlightened.

Mr. LAFORTUNE.—I have been applying for such a route for two years past and as yet have not obtained anything.

Mr. PELLETIER.—The rules laid down by the department should be complied with. Let us take the county of St. Johns and Iberville for instance, that is one of the constituencies in the province of Quebec where rural mail delivery is organized on the widest scale. That service is not managed to subserve party ends, but on a strictly business basis. When I made that statement last year, my hon. friend from Rouville replied that I was only doing my duty. I know it, and that is my policy on every occasion.

My hon. friend from Kamouraska may rest assured that if he shows that more post offices are required in his constituency, the fact of his being the representative of the county will not by any means be in the way of granting his request.

Mr. LAPOINTE.—There are too many in some places, while there is a deficiency of them in others.

Mr. PELLETIER.—That is a matter of opinion. But as regards the question of deficiency, my hon. friend is not the only one to complain. We take into consideration to a certain extent the question of expenditure and probable earnings of the office; but when the opening of a new post office appears to be needful, particularly in a locality where vehicles are wanting and the distance to go over considerable, to reach the nearest post office, we take the view that

the Post Office department exists to cater to the wants of the public, and we are not overweening on the question of the earnings exceeding the expenditure. For example, if it were shown that twelve or fifteen families are cut off from the rest of the world, their small number would not prevent us from coming to their assistance, and I think that is the right conception of the duties incumbent upon me.

Mr. LEMIEUX.—An application has been made by St. Jean Baptiste de Rouville. Number of citizens have signed that application and are willing to comply with the conditions laid down the the department for the establishment of a rural mail delivery route. However, nothing as yet has been done, and I would ask the minister to be so kind as to look into the matter as soon as possible.

Mr. GAUVREAU.—Before the Minister leaves this subject, I would like to ask for some information. Was there a petition forwarded to him on behalf of the residents of the western portion of L'Ile Verte, known as Rivière des Vases, for the opening of a post office?

Mr. PELLETIER: I cannot say offhand.

Mr. ETHIER: Mr. Chairman——

Mr. PELLETIER: The hon. member for L'Islet wishes to offer some explanation in reference to the opening of those new post offices in his constituency, and I trust the hon. gentleman will allow him to address the House for a few moments.

Mr. ETHIER: Very well, provided the hon. gentleman agrees not to move for the adjournment of the House previous to my being heard.

Mr. PELLETIER: Certainly, you will have plenty of time left to address the House.

Mr. ETHIER: I see the hon. gentleman from L'Islet is better acquainted with what is going on in the Post Office Department than the minister himself apparently is; why not appoint him deputy minister?

Mr. PAQUET.—I must thank the hon. member for Kamouraska who takes such warm interest in the welfare of the people in the county of L'Islet. If only he interested himself to the same extent in the experimental farm of Ste. Anne de la Pocatiere.

Mr. LAPOINTE: Does the hon. gentleman think that my suggestions would be favourably considered by this Government?

Mr. PAQUET: I regret that my hon. friend should have thought fit to speak sneeringly of the names of electors in my constituency. It is not the privilege of many to be known under the name of Lapointe. I must say that I represent a county comprising many new settlements, a thriving region, and I am not backward in requesting the opening of post offices in sufficient numbers. Long enough that county had been neglected; long enough our friends on the other side had dismissed all applications, however reasonable, submitted by the representative of L'Islet. Since the coming of the Conservatives into power, I found in the hon. Postmaster General, a man who understands what are the needs of the settlers in the county of L'Islet.

Before we reached power, the settlers and farmers of the county of L'Islet, in order to get to a post office, had to travel over distances varying between seven and twelve miles. That was satisfactory to the member for Kamouraska, but as regards farmers and settlers, the story was a different one. I thought the Postmaster General would be able to do something in their behalf, and I congratulate and thank him for having given some relief to that class of sturdy workers. That may be the reason why the member for Kamouraska is so sour on the Postmaster General and the member for L'Islet who both work in their interest.

In cities such as Quebec, Montreal, Ottawa and others, the people are not any better than those I represent, notwithstanding which the mail is distributed from house to house. Why should we not have in our rural districts as many post offices as are required to dispense people of the necessity of travelling over distances of ten miles to get their mail, as was the case under the Liberal rule. The county of L'Islet is progressing, and I am ready to discuss that question with the hon. member for Kamouraska; let him come into my county and upbraid the minister for having done his duty towards that fine agricultural class.

Mr. LAPOINTE: If the hon. member heard what I said, he must know that far from criticising him, I congratulated him on wielding such influence over the Postmaster General, as evidenced by the fact of his obtaining fourteen new post offices with a resulting total deficit of $1,000 per annum.

Mr. PAQUET: I stated and I repeat that the county of L'Islet had been shamefully

neglected under the Liberal rule. To-day a work of regeneration is being carried on, since we have come into power. The hon. gentleman has referred to my parish. The hon. member for L'Islet is a genial fellow, but he made a sad mistake when he tried to cast ridicule on the names of my fellow citizens. I would not advise him to repeat the experiment in the parish of St. Aubert. When a man puts his name to a petition but has not the courage to himself sign it with his own name, I say I have a perfect right to wait until the session is over to personally investigate the facts. And if the Giasson post office should be closed, I shall be the first to call on the minister to do it. I am up against a plot engineered by a Liberal who wanted to get both the post office and the mail contract. Through spite, he got that petition signed, and forwarded it under cover to the hon. minister; however, he had not the courage to sign his own name to the petition, only putting his cross thereto, while he duly signed the covering letter. Under the circumstances, it seems I am justified in postponing until after the session is over the settlement of that matter, and finding out whether the Giasson post office should be closed.

I propose following up the work of providing postal facilities throughout the constituency, so as to put our poor settlers on a footing of equality with city people. I wish to work with all my might in the interest of my electors and let them enjoy the advantages of rural mail delivery.

Mr. LAPOINTE: I wish to protest against the statement made by my hon. friend that I sneered at the names of those who signed the petition. I did nothing of the sort, and if the hon. gentleman gathered that meaning from my utterances, he is utterly at sea. As regards Cyrias Dubé whom he taunts for not having had the courage of signing his name to the petition, contenting himself with putting his mark, well the Postmaster General will tell him that one is just as good as the other.

Mr. PELLETIER: Not when a man is able to sign.

Mr. LAPOINTE: But somebody else writing to the minister in Dubé's name, may have signed for him.

Mr. PAQUET: Is not that sufficient reason for me to delay giving the decision which should be taken under the circumstances?

Mr. LAPOINTE: Does the hon. gentleman contend that the names of the nineteen persons who are mentioned in that petition are not actually voters of the parish of St. Aubert?

Mr. PAQUET: They are voters of St. Aubert, but I do not know whether these are their signatures; as a matter of fact, I see that Cyrias Dubé who signed the letter addressed to the minister, has not signed his name to that petition, but merely put his mark.

Mr. LAPOINTE: I do not think the hon. gentleman should put forward such a contention. So far, I have had only complimentary references to make to him, but now I am bound to find fault with him. The hon. gentleman was advised by the department that a petition had been received bearing a certain number of signatures and asking that the said post office be closed. His reply to that letter was that he would take the matter up and call at the department. How is it that he has not yet been there, and has not secured the requisite information?

Mr. C. ETHIER (Two Mountains): Mr. Chairman since we are dealing with the dismissals of postmasters, I may be allowed to enquire from the minister whether he recalls the incident which took place on Tuesday evening when the removal of the Ste. Scholastique postmaster was considered. I complained on that evening of the action taken by the department on the petitions sent in by certain parties, asking for the removal of Mr. Raymond and recommending as his successor two persons, the present postmaster, Mr. Presseault, and Mr. Sauvé, who, by the way, is not related to Mr. Sauvé, M.L.A., at Quebec. The minister answered me as follows:

Mr. Pelletier: I will look into that.

Mr. Ethier: There were many persons surprised that these petitions were not on the file. I am certain they are not of a private character.

Mr. Pelletier: I will instruct the officer in charge of the branch to look into it to-morrow.

It is now Friday, and we have not yet had the promised information. That same evening the Postmaster General, basing himself on the precedent and principle laid down by the former Prime Minister, to-day leader of the opposition (Sir Wilfrid Laurier), that all letters addressed to the department and marked 'Personal," should in no case be brought down on an order of the House for a return, declared himself to be in perfect sympathy with the views then expressed. That is actually the principle laid down by the hon. gentleman.

Mr. PELLETIER: Without the consent of the writer. Occasionally, I have had letters marked 'Personal,' which I brought down after getting the consent of the party who wrote them.

Mr. ETHIER: Well, since Tuesday I have not yet had an answer to my request for the bringing down of those petitions, which are in the hands of the minister or filed in the department.

Here is a second question. In the return which was handed to me in connection with the removal of Mr. Raymond, I see there is a letter marked 'Personal.' Now, either the minister has been deceived or is trying to deceive others. How explain the inclusion of that letter in the return, if the rule is not to lay before the House a letter marked 'Personal'? Even the copy I have in my hands is marked 'Personal.' That letter is dated December 10, 1913. Again I ask, why is it included in the return? I fancy that when it suits the convenience of the department letters are sent down; if not, they are withheld.

This letter was laid before the House on March 6 last and it reads as follows:

Montreal, December 10, 1913.

(Personal)
The Hon. L. P. Pelletier,
Postmaster General, Ottawa.

My Dear Sir,—In answer to your letter of the 3rd instant, I must say that the gentleman I recommend to succeed Mr. Raymond as postmaster at Ste. Scholastique, is Mr. Wilfrid Presseault. I have no doubt that the aforementioned gentleman will make an excellent postmaster.

Please accept, &c.

G. A. Fauteux.

This Mr. Fauteux is the same who failed in securing his election, because he did not even know how to prepare his nomination papers. Now, I wish to draw the attention of the House to the manner in which the removal was effected of the postmaster of Ste. Scholastique, which is the chief town of the district of Terrebonne. I might explain that removal was effected through the intervention of the hon. member for Terrebonne, and if Mr. Nantel were present, he might be in a position to enlighten us.

In the redistribution of electoral seats which is being effected, it is proposed to annex the whole or part of the county of Two Mountains to that of Laval. Well I accept that proposal, for I am satisfied that I would get along very well with the good people of Laval. But it would have been a much simpler proposition to unite my county with that of Argenteuil, my natural neighbour. I invite the hon. member for Argenteuil (Mr. Perley) to come and discuss that question in my constituency, and he will be quite nonplussed at the result.

Mr. PELLETIER: He might take a lesson in the art of securing an election by acclamation.

Mr. ETHIER: Now let us come down to business, I mean let us revert to Ste. Scholastique. Is there a rule laid down for Ste. Scholastique and another for Kamouraska? In this matter as in the matter of banks, is the principle to be laid down that what is fair as regards Ontario is not fair as regards Quebec? But let us stick to the question, that is, the removal of Mr. Raymond, and let us see under what circumstances it was demanded. In 1896, the postmaster of the district town of Terrebonne was Mr. Antoine Fortier—what I am about to narrate is a matter of history in the county of Two Mountains. Mr. Fortier was revising officer under the Electoral Franchise Act and he had been appointed by Mr. Chapleau. Mr. Fortier was postmaster, he was also a Conservative leader in the county. In 1896, when the Liberals reached power, he was, in consideration of his advanced years, retained from 1896 to 1898, the year of his demise. After his death, was he replaced by a Liberal? No, Mr. Minister. You are familiar with Quebec, but you are not quite so familiar with the district of Terrebonne, concerning which you might be posted by your colleague, Mr. Nantel, that silent Mr. Nantel, who is never seen in the House.

In 1898, we appointed notary Forest, a Conservative also, who had always worked against the Liberal party. He kept the position some time, and then resigned to be replaced by his brother-in-law, Vincent Fortier, always in the same family, and also a Conservative. He resigned for reasons, which I do not wish to state here, and the Government appointed his sister, Miss Annie Fortier, to take his place. In 1903, Miss Fortier got married. I recall these facts in order to show to the Postmaster General that the Liberals did not show any spite, as you are showing against the Liberals.

Mr. BLONDIN: I would suggest that the hon. gentleman address the Chair, and not the minister.

Mr. ETHIER: I beg your pardon, Sir, I thought I should address the superior.

Mr. BLONDIN: Such is the rule of the House.

Mr. ETHIER: After Miss Fortier married, we appointed Mr. Felix Raymond, who was a Liberal. But, please note, Mr. Chairman, that we dismissed no one to appoint Mr. Raymond. Between 1896 and that date Conservatives had been appointed, and they were people who gave no cause for complaint, and properly fulfilled their duties. When Mr. Felix Raymond was appointed, the position was vacant and we did not remove any one to find a place for him. He is a respectable citizen, and the only fault to be found with him is that of being a Liberal.

After the elections of 1911, the Conservatives asked for his removal through the petition a copy of which I applied for the other evening. Mr. G. A. Fateaux, the would-be candidate in the county of Two Mountains, thus expressed himself on November 19, 1912, in a letter addressed to the minister:

Montreal, November 19, 1912.

The Hon. Postmaster General,
Ottawa.

My Dear Sir,—The post office of the village of Ste. Scholastique is at present under the care of Mr. Felix Raymond. That gentleman received that appointment from the Liberal party on account of exceptional services rendered to that party, and he has been in the meantime maintained in office owing to his constant participation to the Liberal organization in the county. My desire would be that in future that post office be confided to the care of Mr. Wilfrid Presseault, of Ste. Scholastique.

I trust therefore that you will give the requisite instructions to have my request complied with under the shortest notice.

I have the honour to remain, &c.,

G. A. Fauteux.

On the other hand, I had never asked for the removal of any one. On December 21, 1912, the department wrote as follows to Mr. Raymond:

Ottawa, December 21, 1912.

Mr. Felix Raymond,
Postmaster,
St. Scholastique, Que.

You are charged with having, since your appointment as postmaster, taken part in the Dominion and Provincial elections. I am directed by the Post Office Department to inquire whether that is a fact. If the charge is foundationless, I imagine you will have no objection to signing the inclosed solemn declaration, which should be received before a justice of the peace or a notary.

Should there not be any justice of the peace or notary in your locality, the declaration may be received before the mayor of the parish.

[Mr. Ethier.]

Kindly forward me your answer without delay.

I remain, &c.

H. B. Verret,
Asst. Deputy Minister.

It will be noticed that the form never varies. That printed form was submitted to me, and I advised Mr. Raymond not to sign it, and to return it to the department.

The following is the declaration which Mr. Raymond sent to the department:

Solemn declaration made under the Act for the prevention of extrajudiciary oaths.

I, the undersigned, Felix Raymond, postmaster of Ste. Scholastique, Quebec, do solemnly declare:

(1) I was appointed postmaster in the year 1907;

(2) Since the date of my appointment as postmaster, I have not taken an active part in the elections, whether Dominion or Provincial, I have not done any canvassing or taken voters to the polls, or offered or given money or liquor; neither have I represented any candidate at the polls, except at the Provincial election of 1908, when I represented a candidate late in the afternoon. Neither have I voted, checked off voters at the door of any poll. Neither have I taken part in any organization committee. I did not address any meeting in favour of any of the candidates, and I did not interrupt any public speaker at any public meeting.

(3) All I did do was to peacefully record my vote. In 1908, and at the elections, Dominion as well as Provincial, of 1911 and 1912, I abstained from voting.

And I make this declaration knowing it conscientiously to be true and to have the same effect as if given under oath under the Evidence Act of Canada.

And I have signed,
F. Raymond.

Then an inquiry was ordered. On December 30, 1912, after a year's delay, Mr. Bergeron was appointed to inquire into the charges brought against Raymond. It will be noticed that there were about fifteen similar cases. Postmasters whose salaries did not exceed $30 were dismissed, and for what purpose? Mr. Bergeron was employed as investigating commissioner at a salary of $15 per diem, plus $3 per day for his living expenses, besides his travelling expenses. It cost $75 to remove some poor fellows, whose only offence was that they were Liberals. In every case, it is always the same form which the minister uses:

Your fees will be $15 per day, plus your actual travelling expenses and $3 per day as a living allowance. It will not be necessary to employ a stenographer or copyist; you will hear the witnesses brought forward for and against, and you will base your report on the evidence.

Please advise Mr. G. A. Fauteux, barrister, 97 St. James street, Montreal, and the interested postmaster, of the date at which you will proceed with the inquiry.

I give herewith the report of Mr. Bergeron, in the case of Ste. Scholastique, dated January 30, 1913. Mr. Raymond had been dismissed in December, 1912.

Montreal, January 30, 1913.

To the Hon. L. P. Pelletier,
Postmaster General,
Ottawa.

Re Felix Raymond, postmaster of Ste. Scholastique, county of Two Mountains.

Sir,—Acting under your instructions received on December 30 last, I proceeded to Ste. Scholastique, where, on Tuesday the 28th instant, I conducted an inquiry into the charges brought against Postmaster Raymond, for political partisanship. I had advised Mr. G. A. Fauteux, barrister, and Mr. Felix Raymond of the date and place when and where I would proceed with such inquiry. I had assigned as witnesses Mr. J.-Bte. Legault, Mr. Wilfrid Presseault and Mr. Guillaume Sauvé, all three of the village of Ste. Scholastique. These witnesses have sworn that Mr. Raymond was a Liberal in politics. Mr. Legault swore that Mr. Raymond discussed politics at Mr. Barsalou's on the evening of the votation in 1911, stating that the Laurier government was going to remain in power as strong as it was previous to the elections. He swears, moreover, that Mr. Raymond went to congratulate Mr. Ethier, member elect, following on the decision rendered in June, 1912, confirming him in the possession of his seat.

Mr. Guillaume Sauvé corroborates Mr. Legault's statement as to Mr. Raymond congratulating Mr. Ethier after the judgment of June, 1912. Mr. Felix Raymond who has been postmaster for the last ten years, he says, though very active in politics, previous to his appointment as postmaster, swears that he has not taken any part in politics in the meantime. He does not deny having met Mr. Fauteux, the Conservative candidate, at the registrar's in 1911, during election time, and having expressed his views. He does not recall the conversation with Legault at Barsalou's, but he will not deny the truth of Legault's statements. There is no doubt that Mr. Raymond, a former Liberal leader, has in a great measure altered his ways since becoming postmaster, but he did not refrain from expressing his views in the presence of Mr. Fauteux, Conservative candidate, at the registrar's as also in the presence of Messrs. Legault and Sauvé at Mr. Barsalou's.

I have the honour to be, &c.,

J. G. H. Bergeron.

The elections had been held in 1911, and that report came out only two years later.

On January 30, 1913, Mr. Fateaux wrote as follows to the minister:

Montreal, January 13, 1913.

To the Hon. L. P. Pelletier,
Postmaster General,
Ottawa.

My Dear Sir,—Mr. Bergeron, who has been appointed by you to carry on an investigation at Ste. Scholastique into the charges of political partisanship brought against Mr. Raymond, has given me communication of the report which he is addressing to you. Will you be so kind as to suspend all further action in the matter until I see you again in this connection?

Please accept, &c.

G. A. Fauteux,

Since when has a judge the right to communicate his decision to an outsider before sending it to the proper authority? We have witnessed that once before in the saloon prosecutions in Montreal; but Mr. Justice Charbonneau quashed the decision of the license commissioners.

Is there a word in the report of Mr. Bergeron, stating that he recommends the removal of Raymond? No, Mr. Bergeron's report is rather favourable. But it was Sauvé who made use of this report. The following is the copy of a letter he wrote to the minister on December 16, 1913:

Mr. Minister,—I have just learned that the postmastership is vacant. I have applied many a time for the position. You invariably answered that it was not vacant, but that my request would be considered. I hope to receive a satisfactory answer, as one of the principal leaders of the party in my county had promised that in the case of a change taking place, I would get it. That is my reason for applying once more. I have been for many a year a supporter of the Conservative party, and I trust it will grant me this favour now, as I was given to understand that it would be, ever since a change is being talked about.

An answer will oblige.

William Sauvé.

On the 28th of November, Mr. Fateaux, who had been carrying on an ex parte investigation, sent to the minister the following letter:

My Dear Minister,—Herewith you will find two statements, one signed by Mr. Jean-Bte. Legault, and the other by Mr. Wilfrid Presseault, both electors of Ste. Scholastique, showing that Mr. Ethier has been making political capital out of the fact that we are not taking action towards removing Mr. Raymond, the present postmaster of Ste. Scholastique.

Trusting that these statements will prove the correctness of what I asserted in a previous letter and will justify you in effecting the removal which I urge, I beg of you to accept the expression of my most cordial feelings.

Yours, &c.,

G. A. Fauteux.

Presseault and Legault are two retired gentlemen who never go to Montreal unless somebody else pays their expenses, and it will be seen that their statements are headed Montreal. They read as follows:

Montreal, November 24, 1913.

On or about the last days in May, 1912, while we were three or four people congregated in front of the court house at Ste. Scholastique, Mr. Calixte Ethier, of the village of Ste. Scholastique, advocate and member of parliament, came towards us, unprovoked, and addressing Mr. Wilfrid Presseault, who was one of our group, he said sarcastically: 'Are you going

to get the post office? If you get it, you won't keep it long. There is going to be a change of Government within six months, and I shall not defer the matter for a year or two. On the day following you will be put out. If I were in your place, it would not take twenty-four hours.'

(Sgd) J. B. Legault.

Sworn before me at Ste. Scholastique, this 25th day of November, 1913.

(Sgd) Narcisse Forest,
Notary.

Montreal, November 24, 1913.

On or about the last days in May, 1912, while we were three or four people congregated in front of the court house at Ste. Scholastique, Mr. Calixte Ethier, of the village of Ste. Scholastique, advocate and member of parliament, came towards us, unprovoked, and addressing Mr. Wilfrid Presseault, who was one of our group, he said sarcastically: 'Are you going to get the post office? If you get it, you won't keep it long. There is going to be a change of Government within six months, and I shall not defer the matter for a year or two. On the day following you will be put out. If I were in your place, it would not take twenty-four hours.'

(Sgd) Wilfrid Presseault.

Sworn before me at Ste. Scholastique, this 25th day of November, 1913.

(Sgd) Narcisse Forest,
Notary.

As a matter of fact, I may have uttered those words, but would that be sufficient ground to dismiss Mr. Raymond? It was no fault of his. Political turncoats are to be found everywhere, at Ste. Scholastique as in Quebec. One sure thing is that Wilfrid Presseault was the man who took the cake. That is the whole story of Mr. Raymond's removal. Who asked for it? André Fauteux, the defeated candidate. Mr. Bergeron had not recommended his dismissal, as his report clearly shows.

So I say that the removal of Mr. Raymond is an insult to the whole county of Two Mountains, and particularly to the parish of Ste. Scholastique. As no one had been removed to make place for Mr. Raymond, there was no occasion for reprisals. It is a case of gross injustice and the people will keep it in mind for the next general elections.

I might mention all the post offices in the county. It is well known that in Two Mountains there is no patronage to distribute, however, I never got a single postmaster removed, even of those who were appointed previous to 1896. In 1897, a post office was opened at the Côte St. Vincent, at the request of the public; the postmaster, Foisy, did not replace any one, nevertheless he was removed. Everywhere it was on the part of our opponents a revelry of dismissals.

[Mr. Ethier.]

Now, I wish to refer to an incident which occurred the other day in this House, while I was absent, in reference to the Oka postmastership. The question was raised by the hon. member for Rouville and the right hon. leader of the Opposition, who inquired from the Postmaster General whether he would not do something for the widow of the postmaster of Oka, who lost his life in the autumn of 1911, on the lake of Two Mountains while transporting the mails. The member for Rouville recalled to the memory of the minister that I had made an application to that effect.

I must admit that $1,000 has been granted to the widow; but my hon. friend was right, I had applied for it, and the minister told me at the time that was too late. Call later on, he said, and we shall see what can be done. I did not fail to do so, and at the session of 1912, there was in the supplementary estimates a thousand dollar vote intended for the widow. Reference was made to a lettre of thanks from the family addressed to the minister. It was the member for Two Mountains who made the request, and it is the minister who gets the thanks.

Mr. PELLETIER: It is understood you gave the money.

Mr. ETHIER: No, but it is understood that if I had not asked for it you would not have allowed anything. Any way that $1,000 does not come from your pocket, but from the Dominion Treasury. If it is expected that some political capital is to be gained at Oka through the granting of that $1,000, that is a mistake. In 1896, there were only four people who voted Liberal; but in 1908, there were 95, and there will be 150 or 200 at the next general elections. That $1,000 will not change the Liberal majority of the parish of L'Annonciation d'Oka.

I now resume my argument. The hon. Postmaster General stated further in reply to the hon. member for Rouville, that instead of granting her a 'compassionate allowance,' he had appointed her postmistress. However, he did not state that he had deprived her of the mail contract, though she had horses and vehicles which had cost her between $1,500 and $1,800, so as to let a Conservative get the advantage of it.

That is not all, the minister has fixed matters so that her son will not be able to do the work which his father used to do; the father was a baker by trade, and the son used to carry the mail. The minister

says he appointed her, but she was postmistress already.

Mr. PELLETIER: No.

Mr. ETHIER: That is mere word play.

Mr. PELLETIER: Not at all, her husband had the post office.

Mr. ETHIER: But the post office was in Mrs. Laberge's house, and since when was she separated from her husband? I notice the sneering smile of the minister, but if ever he comes to Oka, Mrs. Laberge will tell him: You ruined me, even if you did leave the post office to me. As postmistress she draws $36 per annum, but she has been deprived of the mail contract between Oka and Como, and Como and La Trappe, a contract which brought a good deal more. That is what I would have stated the other day, had I been present, and I wish to lay these facts before the House and the electors of Two Mountains, so that all may know what it amounts to.

Now, Mr. Chairman, I might refer to other dismissals which have taken place in the county of Two Mountains, and particularly, that of Mr. Lalonde, at Côte Double, that of a Emile Brazeau at Côte Rouge, that of Amédée Vaillancourt at Côte St. Etienne, who was replaced by Xavier Desjardins; of Louis Vermette, at Côte St. Vincent; of N. Laviolette, at Petit-Brulé; of Edmond Lalonde, at St. Benoît; of A. Labelle, at St. Canut-East; of Edmond Lacroix, at St. Joseph du Lac; of Zéphirin Raymond, at St. Placide. Mr. Zéphirin Raymond was hit harder than anybody else, because he happened to be the uncle of the member for Two Mountains.

All those dismissals are mentioned in Report No. 44, of the Department of the Secretary of State, brought down on January 22, 1914.

In all that correspondence relative to those dismissals, it is always the same Mr. Bergeron who is investigating commissioner, and who receives letters signed L. P. Pelletier, stating that he will be paid 15 per diem, plus his travelling expenses, plus $3 per day as living allowance. Before ordinary courts of justice—I appeal in this connection to the Crown prosecutor for the district of Montreal (Mr. Lafortune)—no such bills were ever filed.

Mr. Chairman, I revert once more to the case of Mr. Zéphirin Raymond, of St. Placide, and I assert that he was persecuted even when on his death bed. He had tendered his resignation, it was not accepted; they waited until he had gone to the hospital in Montreal, to notify him of his dismissal. He had been postmaster 44 years. He was the oldest postmaster in the county. He had carried on a large trade at one time. Such has been the work of the Postmaster General in the county of Two Mountains, and if ever he shows himself again in that county he will get a thrashing such as that he got on a former occasion and which he richly deserved.

Mr. PELLETIER: I shall send a copy of 'Hansard' in the county of Two Mountains and to Mrs. Laberge, so that she may read what the hon. gentleman stated to-night and judge for herself.

Mr. ETHIER: She knows it all.

Progress reported.

On motion of Mr. Pelletier, the House adjourned at 12.35 a.m. Saturday.

Saturday, May 16, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

INTERNATIONAL PURITY CONGRESS.

Right Hon. R. L. BORDEN (Prime Minister) laid on the table of the House the report of the delegates appointed by the Government of Canada to attend the International Purity Congress held in Minneapolis, Minnesota, November 7-12, 1913. He said: There does not appear to have been any formal published official report of the congress as a whole, but what is understood to be a report of the proceedings has been published in successive numbers of a magazine in the United States. These have been bound and are placed upon the table of the House for the information of the members.

YUKON PLACER MINING.

Hon. W. J. ROCHE (Minister of the Interior) moved for leave to introduce Bill No. 200, to amend the Yukon Placer Mining Act. He said:

Several amendments have been prepared to the Yukon Placer Mining Act, but owing to the advanced stage of the session it has been deemed advisable to drop them all save one, the purpose of which is more particularly to facilitate the carrying out of the intention of the existing Act. The existing Act provides that any number of claims owned by one individual company or group of individuals included in a registered partnership may be grouped for

operation, but subsection 2 of the section of the Act which so provides, grants the grouping privilege to large holders of placer mining property companies and registered partnerships, which cannot be taken advantage of by groups of individual miners operating together, and the amendment is for the purpose of extending the scope of the Act so as to provide that the grouping privilege shall extend to groups of individual operators as well as to companies and registered partnerships.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 197, for the relief of Robert Markle Richardson.—Mr. T. J. Stewart.

Bill No. 198, for the relief of George Andrew Crooks.—Mr. Schaffner.

Bill No. 199, for the relief of Florence Merritt.—Mr. Boys.

DEPOSITORS OF DEFUNCT BANKS.

On the Orders of the Day being called:

Hon. W. T. WHITE (Minister of Finance): The hon. member for Rouville (Mr. Lemieux) asked me to obtain for him certain information with regard to La Banque du Peuple, La Banque Ville Marie, and La Banque St. Jean. I find that La Banque du Peuple suspended payment in 1895. No liquidator was ever appointed. By special legislation, chapter 75 of the Acts of 1897, and chapter 123 of the Acts of 1899, the affairs of the bank were wound up by the directors. The Act of 1899 confirmed a composition at the rate of forty-five cents on the dollar with the creditors, and this composition was paid. There is no available information as to the number of depositors. With respect to La Banque de St. Jean, I find that the amount due ordinary depositors at the time of the suspension, 1908, was $301,000. The liquidator advises that the probable dividend will be between twenty and thirty per cent of this amount. He further advises that the approximate number of depositors was 3,000. With respect to La Banque Ville Marie, I find that the deposits at the time of failure, 1899, are reported to have been $1,504,665. Seventeen and one-half per cent was received by the depositors. The liquidation was closed and the liquidator is dead. There is no information available as to the number of depositors. I am unable to obtain any further information for my hon. friend.

ANTIGONISH CUSTOMS COLLECTOR.

Mr. WM. CHISHOLM: On the 16th of March an Order of the House was passed

For a copy of all recommendations, protests, petitions and representation received by the Government or any department or minister thereof, regarding the appointment of the present collector of customs at Antigonish and of all the letters, telegrams and correspondence relating thereto.

Yesterday what purported to be a return in answer to this order was placed on the table of the House from the Department of Customs. That return consists only of a letter dated 22nd October, 1913, signed by John McDougald, commissioner of customs, addressed to Wm. Chisholm, Antigonish, N.S., informing him that the Minister of Customs has been pleased to authorize his appointment as acting collector of customs at Antigonish, N.S., at a salary of $1,100 per annum. I desire to say that I never received such an appointment or such a letter, nor have I any expectation of receiving an appointment. This return is certainly not a compliance with the order of the House. I happen to know that there are on file in the Department of Customs petitions and representations respecting the appointment that was made. There is a representation from the president of the Conservative Association, and I happen to know what it contains. The order is so worded as to call for the production of any correspondence or documents from any department of the Government, and, as I happen to know that this letter of the president of the Conservative Association was written as an official document from that association and not as a private or confidential letter, it should be produced.

Hon. J. D. REID (Minister of Customs): The return as brought down by me contains all the official documents in the department. If there is any other correspondence it is private and confidential and my own.

Mr. CHISHOLM: I want a compliance with the Order of the House so far as the other departments are concerned. I suppose the same protection will be sought by the other departments, of saying that the documents are private.

Mr. SPEAKER: An hon. member in asking for a return to be brought down cannot enter into a discussion any further than to explain the matter so that the minister will understand it.

Mr. REID: The hon. member complained the other day that the return had been asked for some time ago and had not been brought down. I find that on March 18 it was sent to the Secretary of State. His attention was called to it. I laid the return from the Customs Department on the table yesterday. This morning I handed in the return from the Secretary of State and it is now in the hands of the Clerk, with any other correspondence, if there is any, from any other department.

Mr. CHISHOLM: I would ask the minister whether a document relating to a public appointment, not marked personal or confidential, is considered by him to be of a private character?

Mr. REID: I judge whether a document addressed to me is private or official when I receive it.

CANADA GRAIN ACT AMENDMENT.

On motion of Hon. George E. Foster (Minister of Trade and Commerce) Bill No. 170, to amend the Canada Grain Act, was read the third time and passed.

COMPANIES ACT AMENDMENT.

On motion of Hon. Louis Coderre (Secretary of State), Bill No. 177, to amend the Companies Act, was read the second time, and the House went into committee thereon, Mr. Blondin in the Chair.

Mr. LEMIEUX: I understand that the principal feature of this Bill is the creation of share warrants. Would the hon. minister kindly explain?

Mr. CODERRE: The memorandum attached to the Bill explains it pretty well, I think. It says:

A share warrant is a share certificate transferable by delivery without any record of such transfer being made in the books of the company. The warrant usually provides that when dividends are declared by the company, an advertisement thereof setting out the rate and time of payments must be inserted in certain newspapers, and also that the dividend coupon attached to the warrant may be cashed at certain banks. On the appearance of an advertisement of a particular dividend the holder of the warrant may then present the coupon for that dividend and obtain payment thereof. Share warrants may at any time be exchanged for ordinary share certificates. This section was first enacted in Great Britain in 1867 and is taken without substantial change from section 37 of the present Imperial Companies' Act. It is similar to sections 61-69 of the Ontario Companies' Act. The main object of the section is to enable a company to issue a kind of security which is probably the most important dealt in on the European exchanges. This kind of security is particularly popular in France with small investors, and the French law renders share warrants more easily dealt with. There is no change from the Imperial Act except where the necessities of our Act demand verbal changes.

Bill reported, read the third time and passed.

REGULATION OF EXPLOSIVES.

Mr. CODERRE moved the second reading of Bill No. 189, to regulate the manufacture, testing, storage and importation of explosives.

Mr. DEVLIN: Would the minister kindly explain?

Mr. CODERRE: In 1908 the attention of the Government was directed to the many fatalities that had occurred through explosives in railway camps and mines throughout the country. Dr. Haanel, Director of Mines, considered it advisable to have Mr. Desborough, one of His Majesty's inspectors of explosives, look into the matter. Mr. Desborough visited the provincial Ministers of Mines, and various construction camps and mines throughout the country, and made a report containing some very valuable data. In 1909 a conference met in Ottawa at which were present Dr. Haanel, Mr. Desborough, representatives of mine owners and manufacturers of explosives, and delegates from some of the labour unions in the country. The conference listened with great interest to the memorandum read by Mr. Desborough, and, acting on the suggestion contained therein, Mr. Templeman, ex-Minister of Mines, drafted a Bill which was brought down in the last session of the old Parliament. The Bill reached the committee stage, and ten clauses were passed, but it was found impossible to get the Bill through that session. The present Government realize that this is a very important matter, and steps were taken last year to bring a Bill before the House, but on account of the length of the session it was impossible to do so. It is the desire of the Government to get this Bill through this session. The officers of the department and Mr. Desborough believe that by the enactment of such a law the number of fatal accidents through explosives would be considerably lessened, although of course the danger can not be entirely eliminated. To give the House an idea of the risks undergone by those who use explosives in mines and on railway construction work, I may

quote some figures taken from the Labour Gazette. In the year 1912-13, 92 fatal accidents occurred in this country through explosives; 19 in mines, 47 in railway construction, and 26 in other employments. We believe that if this law had been on the statute book many of these accidents would not have occurred.

Mr. DEVLIN: Does it in any way affect provincial laws?

Mr. CODERRE: This Bill, before being introduced into Parliament during the session of 1911 by Mr. Templeman, was examined by Mr. Newcombe, the Deputy Minister of Justice, and he gave the following opinion with regard to it:

I have examined the draft Bill respecting explosives which you left with me a few days ago and return the same herewith.

The point which you particularly submitted for my consideration was as to the constitutional authority of the Parliament of Canada to enact such a Bill. The Bill contains a variety of provisions, many of which are doubtless of a general character, while there are others, such as for instance, those providing the precautions to be observed in the manufacture of explosives which have a local aspect. In respect to such provisions, and possibly in its entirety, the Bill covers debatable ground, but I should anticipate that the Bill if enacted by Parliament would upon the principles of construction of the British North America Act already laid down by the Judicial Committee of the Privy Council, be upheld as competent Dominion legislation. If the Government consider that it is expedient for the peace, order and good government of Canada to enact such a measure, I see no sufficient reason to advise that they should refrain from promoting the Bill for any reason based upon doubt of the constitutional authority of Parliament to enact it.

I may add that the Minister of Justice concurs in the view above expressed.

Mr. Newcombe had some doubt as to whether clause 11, as it originally appeared in the Bill, came within the jurisdiction of this Parliament. But this section will not be found in the Bill at the present time, as, at the suggestion of the present hon. Minister of Justice (Mr. Doherty), it has been struck out.

Motion agreed to, Bill read the second time, and the House went into Committee thereon, Mr. Blain in the Chair.

On section 2—interpretation:

Mr. CARROLL: Are there any inspectors at the present time, appointed by the Department of Mines, for the purpose of looking after explosives?

Mr. CODERRE: No, there is at present no law.

[Mr. Coderre.]

Mr. LEMIEUX: I called the attention of my hon. friend the other day to a very serious fatality which took place at Beloeil two years ago at a manufactory of explosives, when, I think, ten people were killed. Coming and going between here and Montreal, my hon. friend may see, on Ile Perrot, another manufactory of explosives. I do not know what manufactory it is, but it is close to the track of the Canadian Pacific railway and the Grand Trunk railway, and it is common talk among travellers when trains are passing that a fatality may occur at any time. Sparks from the engine may cause an explosion, which would be most serious in its consequences. I beg to call the attention of my hon. friend to this and to remind him that if his inspectors do not see at once that this manufactory is removed from near the railway tracks the Government will be held responsible. I do not say the Government will be held responsible in law, but the Government will certainly be held morally responsible. It is located at a very dangerous place. We have already suffered in our province from two or three fatalities, and I think the time has come when such a danger should be removed.

Mr. CODERRE: Is my hon. friend speaking of the manufactory on Ile Perrot?

Mr. LEMIEUX: Yes.

Mr. CODERRE: It belongs to the Canadian Explosives Company, I am told by Mr. Hudson of the department. My hon. friend will find in subsection (j) of section 19 that the Government will have power by regulation to act in cases such as this. The subsection provides that:

The Governor in Council may make regulations—

(j) governing the establishment, location and maintenance of factories and magazines, and the manufacture and storage of explosives.

Mr. LEMIEUX: Will this Bill be retroactive?

Mr. CODERRE: An Order in Council can be passed regulating such a case as that which has been mentioned by my hon. friend.

Mr. LEMIEUX: It should be very clearly stated that the section is retroactive. I would like to hear from my hon. friend the Minister of Justice on this point.

Mr. DOHERTY: I see no reason why it should be retroactive. We cannot make it

an offence to have had a magazine where it has been, but we can pass a regulation determining that in future no magazine shall be allowed to remain within a certain distance of railway tracks without the law being retroactive. From the passing of the regulations the existence of magazines in such places will be prohibited.

Mr. LEMIEUX: I do not wish to injure the company at all, but I think in the public interest my hon. friend should not allow this manufactory to be maintained right beside the tracks. A spark from a locomotive might cause an explosion and consequent disaster. There have been explosions at Isle Perrot, Hull, Belœil, causing loss of life. This powder mill on the railway track near Vaudreuil is a constant danger to all who have to pass in that vicinity.

Section agreed to.

On section 3:

This Act shall not apply to the Department of Militia and Defence or the Department of the Naval Service.

Mr. LEMIEUX: Who regulates the carriage of explosives on railways?

Mr. CODERRE: The Board of Railway Commissioners is empowered to make regulations.

Mr. LEMIEUX: I am told that some railway companies take great risks and that explosives have been carried even on passenger trains. The most stringent regulations should be enforced.

Mr. CARROLL: I can quite understand that these departments should be excepted, but I would like to know if there are any regulations governing the carriage and storage of explosives belonging to the Militia and the Naval Service Departments.

Mr. CODERRE: These departments have their own regulations which are given effect to.

Mr. CARROLL: There should be regulations in these departments as stringent as those which apply to mines. In the mines we have experts who understand explosives and even under the present law accidents in Nova Scotia, where mining is carried on to a greater extent than in any other province, are comparatively few. In other provinces forty per cent of the injured in mines are injured through explosions while in Nova Scotia it amounts to only one per cent.

On section 4—explosives prohibited unless authorized:

Mr. CARROLL: Is it the intention of the department to pass regulations declaring what are explosives?

Mr. CODERRE: Yes.

On section 7—licenses:

Mr. DEVLIN: Will this section if passed do away with the necessity which exists at present of applying to the different provincial authorities for certificates to establish powder magazines in any locality?

Mr. CODERRE: The provinces will still legislate within the scope of their powers. This will not apply to cases already provided for by the provincial law, but to other cases which evidently would fall under the jurisdiction of this Parliament.

Mr. DEVLIN: Section 7 of this Bill provides:

The minister may issue licenses for factories and magazines, and no one shall manufacture, either wholly or in part, or store explosives except in licensed factories and magazines.

In the Revised Statutes of the province of Quebec, article 1269 reads:

Every person keeping a magazine for the storage of powder, or who sells or holds for sale any quantity of powder, must obtain from the collector of provincial revenue a license to that effect.

Article 1270 provides:

Powder magazines shall be constructed in the manner and at the place determined for each such magazine by the Lieutenant-Governor in Council with the consent of the council of the municipality within which said magazine is situated, and no license shall be granted for keeping a powder magazine unless such magazine be constructed in conformity with the authority of the Lieutenant-Governor in Council.

Article 1268 enacts:

'Powder magazine' means every building used for the storage or keeping of any quantity of powder more than twenty-five pounds in weight.

It appears to me there is a direct conflict between the provincial regulations and the regulations which we are seeking to pass now. If this section 7 be passed, then any person wishing to keep a powder magazine will have to apply to the federal minister, and when he comes to the province of Quebec to build that magazine he will find that the permit he has received from the minister is practically useless, because he is confronted with sections 1269 and 1270 of the Quebec law. He will find further that, under the British North

America Act, section 92, subsection 16, among the matters assigned to the control of the provinces are:

> Generally all matters of a merely local or private nature in the province.

I would call the minister's attention to the fact that a powder magazine located in the province of Quebec is entirely under the provincial law which I have just read, and it should not fall under any law or regulation of this Parliament. I would point out also that the parties most interested in this legislation are the municipalities concerned, and the minister is taking away all their protection.

Mr. LAMARCHE: My hon. friend will notice also that in certain municipalities they have certain regulations on this subject, and it seems to me that when a company wishes to operate a powder magazine or a powder factory it must comply with those regulations.

Mr. DEVLIN: They must first, as I understand it, get the permission of the municipality before they can even apply to the Lieutenant Governor in Council. Section 1270 of the Quebec law reads:

> Powder magazines shall be constructed in the manner and at the places determined for each magazine by the Lieutenant Governor in Council, with the consent of the council or municipality within which such magazine is situate.

The municipalities are well protected now, but I think that under the law proposed by the minister they would lose that protection.

Mr. DOHERTY: There cannot be any question of the right of the province to require licenses for businesses of this kind. But that is given them under power conferred upon them for the purpose of raising a revenue—the power to issue licenses. But we are dealing with the question of importation, manufacture and storage of explosives with a view to meeting dangers that present themselves equally all over the Dominion generally, the dangers that attend the presence of explosives. There is certainly no intention to interfere with such regulations as, under a provincial authority, the municipality may be authorized to make for its own special protection, but rather a general provision that the provincial authorities may regard as supplementary. If necessary, we might add to this Bill a clause specifically providing that its requirements shall not obviate the necessity of complying with any local regulations.

Mr. DEVLIN: I would suggest that the minister add some such words as these in section 7:

> The minister may, subject to provincial laws and regulations, issue licenses—

And so on. That would cover the difficulty.

Mr. DOHERTY: That might mean that we could not issue any licenses. What is contemplated is that the party shall have the two licenses—from us and also from the province. The province has the right, by means of its license, to collect revenue, while this is not a revenue measure but is for general protection. Unquestionably, the province has power to make regulations or conditions upon which its license shall issue. I think that probably the better way to do would be, not by adding something to this particular clause but by another clause declaring that the provisions of this Act shall not so operate as to relieve any person from the obligation to comply with the requirements of local laws on the subject.

12 noon.

Sir WILFRID LAURIER: But there is more than that in it. This Bill is intended for the protection of the public. The local legislatures, in Quebec at all events, have also that in view. They provide that no powder magazine shall be established in any locality except with the consent of the municipal authority. There are some municipalities in which it would be very dangerous to have a powder magazine established, and therefore the provision subjecting the matter to local consent seems wise. It would be better that we should provide that before a powder magazine is established anywhere the consent of the municipality must be obtained.

Mr. DOHERTY: The object is not to put us in a position of interfering with the provincial law. The suggestion of the leader of the Opposition (Sir Wilfrid Laurier) had also presented itself to my mind; but it appeared to us that to put a clause in this Bill requiring the consent of the municipality might subject our law to the suggestion of interference. We could hardly undertake to deal with special local conditions from the point of view of the protection of a particular municipality. I am inclined to think that if that were the sole purpose, then the whole affair would be a local matter, to be dealt with by the provinces. But what we were trying to deal with were the general con-

ditions that exist everywhere, regardless of the presence of municipalities, leaving to the provinces their power and right to deal with special requirements in special localities. For instance, it was suggested that we should put into this Bill a provision that there should be no powder magazine within a fixed distance of a town or village. But after consideration, we thought that it would be more proper to leave to the municipal authorities, acting under the authorization of the local legislature, the determination of what distance from the town a factory would be considered dangerous, because what might be necessary with regard to one village or town might not be, for one reason or another, necessary with regard to another. As I have said, there is no intention and no desire under this Act to relieve any person of the obligations imposed upon him for the protection of the public. What we want to make is a law that will be of general application where the province may fail to legislate or, at all events, of general application to protect the public of the Dominion against the dangers connected with this matter. As I have suggested, It seems to me that any possible objection would be overcome if there were added to this Bill a general provision stating that nothing in this Act shall so operate as to relieve any person of any obligation of that nature imposed upon him by the laws of the province or by the municipal authorities acting under the law.

Mr. DEVLIN: I understand that under the provisions which my hon. friend suggests putting in, section 1271 of the law of the province of Quebec, to which my right hon. friend the leader of the Opposition referred a moment ago, will be protected. It is as follows:

> A municipal council desiring, for valid reasons, the removal from within its limits or from one part of its territory to another, of an existing powder magazine, shall have the right to obtain such removal upon payment to the company or person owning the magazine, of an indemnity to be determined by arbitrators appointed by the interested parties, subject to the decision of the provincial treasurer.

Mr. DOHERTY: That is a provision giving power to a municipality to enforce removal from one place to another for the protection of the people of the municipality. The added clause may easily be so worded as to preserve that provision, as well as similar dispositions made by a provincial authority or by a municipal authority authorized by the legislature.

Mr. CARROLL: I wish to draw attention to subsection g of the Interpretation Act, which is as follows:

> Magazine means and includes any building, storehouse, structure or other place in which any explosive is kept or stored, other than at or in and for the use of a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of mines and quarries.

It seems to me that this section excludes the inspection of explosives in the mines in the province of Nova Scotia, because in that province we have an efficient law for the inspection of mines and quarries. In the short time which I devoted to the Revised Statutes of Nova Scotia this morning, I could not find that we have any laws dealing with the inspection of explosives that are used in or about or around these mines. The minister will readily see that if the Act remains as it is, it will exclude inspection of explosives in and around the mines in the province of Nova Scotia and I do not think that that would be desirable.

Mr. SHEPHERD: I would suggest to the hon. member that in all Coal Mines Regulation Acts, it is provided that no explosive shall be stored in any mine. This section, so far as I can read it, will not prevent the provincial Government of Nova Scotia from passing such regulations as the hon. member refers to.

Mr. CARROLL: I understand that very well.

Mr. SHEPHERD: The Coal Mines Regulation Acts usually deal with the use and storage of explosives in mines, and there is nothing in this section which interferes with the passage of such regulations by the Government of Nova Scotia.

Mr. CARROLL: I understand that. My point is that perhaps the Government will say that it is the intention to exclude the mines in Nova Scotia. If that is the intention and they are doing that under this Act, all well and good; but this Act, notwithstanding that we have not efficient inspection of explosives in that province, will not apply there. I agree with the hon. member from British Columbia that the Government of Nova Scotia may have regulations and may pass very stringent laws; but I want to find out if it is the intention of the department to exclude from its operation the mines in the province of Nova Scotia. That is the effect of this subsection as I read it.

Mr. CODERRE: My hon. friend alluded to the use of explosives in mines and to the inspection of these explosives. The words 'use of explosives' have been eliminated as far as possible from the Bill with a view to preventing conflict of authority where provisions have already been made under the Provincial Mines Acts regulating the use of explosives. On railways, canals or other construction work not so governed federal Orders in Council will be issued to provide for the proper use of explosives, so that adequate protection will be given to the men employed and also the general public.

Mr. CARROLL: The word 'magazine' is defined here and it excludes from the provisions of this Act the storage place of explosives in and around a mine where there is an efficient inspection by the legislative authorities of the province of such mines and quarries. Thus the place where those explosives would be stored around a mine in Nova Scotia would not be called a magazine at all, and would not come under the operation of the Act.

Mr. MACDONALD: I think the power of inspecting the conditions under which explosives are stored in and about the mining industry of our province is vested in the general inspector of mines, in the general power that is contained in the Mines Regulation Acts. I know, as a matter of fact, that in all the mining districts especially prepared magazines exist in and about the mines. I was going to ask him whether or not this Act had been submitted to the mining authorities, that is the executive authorities, of the different provinces.

Mr. CODERRE: It has.

Mr. MACDONALD: And what was their position in regard to it?

Mr. CODERRE: Mr. Hudson, one of the officers of the department, went through all the provinces to meet the ministers of mines of the several provinces. He saw Mr. Duncan, the deputy minister, in Nova Scotia, who approved of the law submitted to him, that is substantially the law as it is before the committee to-day.

Mr. MACDONALD: I am inclined to agree with the hon. member from Cape Breton that the Act will not apply to Nova Scotia in regard to mining.

Mr. CARROLL: In connection with the definition of 'magazine,' it certainly does not apply to the mines of Nova Scotia. Has Nova Scotia been purposely exempted or have the officials, in drafting the section, unintentionally exempted Nova Scotia from the Act?

Mr. CODERRE: I do not think that this section particularizes Nova Scotia; it refers to all the provinces.

Mr. SHEPHERD: If I understand correctly, the hon. member contends that this does not interfere with the provisional regulations in regard to magazines around mines, but that the exemption might empower a colliery company to erect a magazine that would be in conflict with this Act. Is that the idea? I agree with the hon. gentleman that provision should be made that no colliery magazine should be erected unless it conforms to the federal statute.

Mr. CARROLL: It is exempted from the statute as it now reads. It is the intention of the department to exempt the magazines, storage places of explosives around mines, from the operation of this Act, or is it not? If you have good reason for the legislation as it stands all very well, but I wish to know if a mistake has been made in the drafting of the Act?

Mr. CODERRE: I do not think so.

Mr. CARROLL: Was it the intention of the minister to exempt mines?

Mr. SHEPHERD: Around all collieries and mines there is a daily storage magazine, which must be provided for, wherein a certain amount, only enough for the 24 hours' use, is allowed to be stored nearer towns or habitations than is allowed for in this federal statute.

Mr. CARROLL: My trouble is that the laws of Nova Scotia do not cover the matter at all.

Mr. CODERRE: Then, of course, the subsection will not apply.

Mr. CARROLL: That is what I say, that in Nova Scotia, even if we have no law at all that requires inspection of explosives, we have a law which is for the efficient inspection of mines and quarries. The Minister of Justice follows me in that? And therefore the word 'magazine' will not cover any province where there is an efficient inspection of mines and forests, but no inspection, efficient or otherwise, in regard to explosives. This is a very technical point, probably.

Mr. DOHERTY: I am not quite clear that I grasp the point of my hon. friend. I

understand that what he suggests is that powder and explosives used in connection with mines in Nova Scotia would be exempt from any inspection at all under the operation of this Act, combined with the provisions of the provincial Act. Is that the suggestion?

Mr. CARROLL: Will the minister follow me while I read the interpretation of the word 'magazine'?

'Magazine' means and includes any building, storehouse, structure or place in which any explosive is kept or stored—

Then comes the exception:

—other than at or in and for the use of a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of mines and quarries.

—not for the efficient inspection of explosives, but for the efficient inspection of mines and quarries. If there is no law in the province of Nova Scotia in regard to explosives, the storage of explosives around mines would not be covered by the word 'magazine'.

Mr. DOHERTY: I think that objection is sound, and we could cover the case by adding after the word quarries in the twelfth line, the words 'or of explosives used in connection therewith.'

Mr. CODERRE: I beg to move that the words 'or of explosives used in connection therewith' be added after the word 'quarries' in the twelfth line on page 2, section 2.

Motion agreed to.

Mr. HENDERSON: I would like to ask the minister as to the condition of inspection in the province of Ontario. Has Ontario an efficient inspection or is it the intention that this law shall apply to the province of Ontario?

Mr. CODERRE: I have a letter here from Mr. Miller, provincial geologist for Ontario, regarding explosives, in which he says:

The Mining Act of Ontario only regulates the storage and use of explosives at the mines. There is no regulation regarding the manufacture or statistics to show the amount used.

The manufacture of explosives is a matter of trade and commerce, and as the explosive remains in the form of a commodity which is open to purchase and sale, it is subject to the supervision and jurisdiction of the Dominion Government. As soon as it is brought for use on the mining property, regulations passed by the provincial legislature govern.

It has been felt for some time that the Dominion Government should bring in legislation respecting the manufacture and sale of explosives in Canada, in view of the numerous accidents resulting from explosives.

Mr. HENDERSON: What I had reference to was not the use of explosives at the mines, but at the works; say, at a quarry. I would like to know whether we shall have to rely on this Bill for guidance in this matter, or whether there is a law in the province of Ontario regulating the use of explosives at the works. I speak of this matter because I have personal knowledge of what is being done; in fact, I am interested, and I think this is the easiest way for me to find out just what the law is on that point. By the way, in the definition of explosives I see no reference to the word 'rack-a-rock,' a very common explosive used in the quarrying of stone. I am unable to determine from the definition, either special or general, whether rack-a-rock is covered.

Mr. CARROLL: Is it in the shape of rockets?

Mr. HENDERSON: Yes; it is in the shape of a Roman candle.

Mr. CARROLL: I think it would be covered by this definition.

Mr. HENDERSON: It may be. Rack-a-rock is practically a non-explosive unless interfered with, and I do not think there is any danger at all from it in storage. It is regarded as a very harmless explosive, and very easily handled. I never heard of any accidents resulting from the use of it. It is used very extensively.

Mr. CODERRE: In answer to the hon. gentleman's first question as to the storage and use of explosives in connection with quarries, I believe, after reading Mr. Miller's letter that this Bill would cover that point, and I think it is also covered by the Ontario regulations. In regard to my hon. friend's other question, rack-a-rock is manufacured by a Sherbrooke company. I have a letter in reference to this Bill written by Mr. White of that company. It will show the reason of a certain amendment which will be found in clause 7. The letter is as follows:

I represent two companies, the principal one of which is the company which manufactures an explosive known as Rack-a-Rock. This explosive has a great many advantages over any of those manufactured by the trust, one of the principal reasons being that it is absolutely harmless up to the very time of its being used. It consists (when shipped from the factory) of two parts, a solid and a liquid, the first being in the form of a fine powder. These two substances can be shipped by freight or express in the same manner as ordinary merchandise,

inasmuch as until they are mixed in the proper proportions, they are absolutely non-explosive.

The consumer is able to purchase Rack-a-Rock in this form in a great many places where it is very difficult to obtain dynamite, owing to the great danger of transporting the latter. Under the proposed Act, you will see section 1, subsection (e) says:

'Factory' means and includes any building, structure or premises in which the manufacture or any part of the process of the manufacture of an explosive is carried on, and any building or place where any ingredient of an explosive is stored during the process of manufacture.

Section 7 provides:

'The minister may issue licenses for factories and magazines, and no one shall manufacture, either wholly or in part, or store explosives except in licensed factories and magazines'.

I am afraid that under the wording of these two sections it might be held that the place where, for instance, a farmer wishing to blow up stumps mixed the solid with the liquid would be held to be a factory and consequently he would be unable to do it except under the conditions provided for by the Act. An interpretation of this kind would put both of my companies out of business. My clients tell me that at a meeting of the explosive manufacturers and the late Government, when it was contemplated to draft an Act, they were promised that the Act would be drafted in a most elastic form to begin with. Under the Act as drafted there is little or no elasticity at all. I am told that the English Act contains a clause under which, by Order in Council, an explosive may be declared not to be an explosive within the meaning of the Act.

The Bill has been amended to meet the cases referred to by Mr. White, and this amendment will be found in subsection 2 of section 7 as follows:

2. Notwithstanding any provisions contained in this Act the Governor in Council, upon the recommendation of the minister based upon the report in writing of the deputy minister accompanied by certificates from the chief inspector and chief chemist of explosives approving of the nature of the components and of the final explosive product, may allow the inexplosive component parts of an authorized explosive from licensed factories and magazines to be assembled and blended at or near the point of use and such place of blending shall not be deemed a factory or magazine within the meaning of this Act.

Mr. HENDERSON: I think I understand it.

Mr. LAMARCHE: I understand that, while you might have an explosive that was not dangerous, such as Rack-a-Rock, it would be treated either in transportation, in manufactories, or in magazines, just the same as if it were very dangerous. My hon. friend has just read a letter from the attorney of the Rack-a-Rock Company, Mr. White, and I understand that he refers to the regulations in England as to explosives. The regulations in England provide for different grades of explosives, that is, grades are established not according to the explosive force but with reference to the amount of danger of such explosive in transportation. In Canada and the United States there are different kinds of explosives. Some of them are very powerful, but they are found to be absolutely without danger while in transportation. Some others are less powerful, but are very dangerous if you transport them, and very dangerous especially in the case of concussion. Others cannot be exploded unless by the use of detonators or percussion caps. I do not know whether it would not be well to provide in our law for a certain class of explosives; that is, apply very stiff regulations to some of them, and to be a little more generous with regard to others. I agree with my hon. friend from Halton (Mr. Henderson) in that respect.

Mr. CODERRE: Does not the hon. gentleman think that this point might be met by paragraph A of section 18 concerning regulations?

The Governor in Council may make regulations—

(a) for classifying explosives, and for prescribing the composition, quality and character of explosives.

Mr. LAMARCHE: Yes, but this would apply to the terms of the certificate to be given to the different classes of explosives. I would like to ask the minister by what process or procedure the regulations of the Bureau of Explosives are made to apply in this country. I understand that these regulations, although I do not question the merits of them, are made and modified in the United States, and that we have no control whatever over them. If you want to deal with a railway in regard to the transportation of explosives, they will always refer you to the regulations made by the Bureau of Explosives. I would like to know if these regulations are applicable to this country as the result of an agreement between the railway companies, or if they come under the Railway Act or any regulations made thereunder. I have never been able to elucidate this point.

Mr. CODERRE: In conformity with the Railway Act, the Board of Railway Commissioners have issued regulations for the transportation of explosives.

Mr. LAMARCHE: But these regulations are the same as the regulations made by the Bureau of Explosives which emanate from a United States body. What control

have we over those regulations in the way of making or modifying them?

Mr. CODERRE: The Bureau of Explosives is an American body located in New York. It has its own regulations, but they do not apply here.

Mr. LAMARCHE: If you apply to a railway company they will tell you that you have to comply with the regulations of that American body. I do not object to these regulations, but I would like to see a procedure of some kind emanating from this Government so that we would have some control over the regulations. I do not dispute the merits of these regulations, but it is awkward to have to comply with regulations that we have no control over whatever.

Mr. CODERRE: I do not know that our people should be forced to follow those American regulations unless they are applicable to merchandise shipped from a point on the other side of the line. As far as transportation in this country is concerned, we have our own regulations passed by the Board of Railway Commissioners under the Railway Act.

On section 8—permits for importation:

Mr. ARTHURS: This section will possibly have an effect not contemplated by the framers of the Act. In the interpretation clause it says:

—and includes fireworks, fuses, rockets, percussion caps, detonators, cartridges, ammunition of all description.

Then, section 8 says:

The minister may issue permits for the importation of authorized explosives.

That, it seems to me, would include cartridges for small arms and prohibit the importation of cartridges even by tourists, without a permit. This would work a great hardship. In subclause (j) of the Interpretation Act, safety cartridges mean cartridges for guns, rifles, pistols, revolvers and other small arms, of which the case can be extracted from the small arm after firing. I would suggest that the words 'other than safety cartridges' be inserted in clause 8 after the word 'permit', so as to make it read:

The minister may issue permits for the importation of authorized explosives, and no one shall import any explosive into Canada without such permit, other than safety cartridges.

Mr. CODERRE: There is no objection to adopting that suggestion.

Section as amended agreed to.

Mr. CARROLL: Is it the intention of the Government to appoint local inspectors at centres where explosives are very much used?

Mr. CODERRE: That seems to be a good suggestion, but I cannot say now if it is contemplated by the Deputy Minister of Mines.

Mr. CARROLL: An official at Ottawa would not be in a position to inspect explosives in the mines of British Columbia or of Nova Scotia.

Mr. CODERRE: I will consider that.

Mr. CARROLL: Before the third reading of the Bill I would like the minister to give due consideration to section 20.

Mr. DOHERTY: I move that the Bill be amended by adding as section 27:

Nothing in this Act shall relieve any person of the obligation of complying with the requirement of any license law, or other law, or by-law, of any province or municipality, lawfully enacted with regard to the storage, handling, sale, or dealing with explosives, nor of any liability or penalty imposed by such law or by-law for any violation thereof.

Amendment agreed to.

Mr. HENDERSON: A serious accident occurred some years ago at Essex Centre in connection with railway carriage of explosives. I am unable to say just now what the provision in the Railway Act is with respect to that, but I have in my hand a memorandum which I shall pass to the minister and ask him to consider it before the Bill is finally disposed of.

Bill reported.

At one o'clock, the House took recess.

The House resumed at three o'clock.

MONTREAL HARBOUR COMMISSION.

On motion of Hon. J. D. Hazen (Minister of Marine and Fisheries), Bill No. 191, to provide for further advances to the Harbour Commissioners of Montreal, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1—short title:

Mr. LEMIEUX: I am in sympathy with this legislation brought down by my hon. friend the Minister of Marine and Fisheries. I am glad to hear that the members of the Harbour Board are back to work after their

visit to the various ports in England. When I remarked upon their absence a few weeks ago, my hon. friend, I hope, understood that I did not wish to reflect upon their conduct, because I am bound to say that generally speaking these commissioners are following in the footsteps of their predecessors, and everybody knows that their predecessors administered most efficiently the work carried on in the harbour of Montreal. The hon. gentleman has himself declared on various occasions that if it had been possible for him to retain their services he would have been only too pleased to do so. I understand that the season of navigation of 1913 was marked by several important works carried on in the harbour of Montreal. Some work has been done in connection with the harbour railway line from Molson's creek to Racine pier. My hon. friend will probably be able to give us a synopsis of what has been accomplished in that direction. Two permanent transit sheds on the Tarte pier have been completed, also elevator No. 2 and its conveyor system in the central part of the harbour. I would like to know what additions have been made to elevator No. 1, and what area of reclaimed land has been provided in connection with the dry-dock and the shipyard. I understand that last year new quay walls of standard crib-work, substructure and complete superstructure have been built. My hon. friend will be able to tell us briefly what work has been done in this connection. I should like to know also what is the mileage of railway track in connection with the harbour proper and how far the tracks will be extended this year. I understand that the commissioners have removed some artificial work at Moffat's island, and that there has also been carried on the construction of what is called the industrial wharf at Point aux Trembles. Is that industrial wharf to be used by a private company, or is it for the general use of the public? I understand that two sheds on the high-level shore wharfs, sections 24 and 25, are under construction. My hon. friend will be able to tell us if they are going to proceed this year with the work on those sheds, and whether, in order to expedite matters, they will work during the winter as well as during the summer months. My hon. friend might give also some details about the electric hoist on the Alexandra pier and the paving on the wharfs. Is this work completed, and if not, when is it intended to be completed? There are some wooden piers still left in the harbour of Montreal. I would like to know if it is the policy of the department to transform these wooden piers into concrete piers. I would like also some information with regard to the additions and improvements to the construction and operating plant. With regard to the dredging of the harbour, I would like my hon. friend to give me the pay-list and to tell me how many men are employed, and how the materials are purchased.

[Mr. Lemieux.]

Everybody knows that the harbour of Montreal is possibly the most important point in our whole transportation system. Being at the head of oceanic transportation, it has become practically, de facto, the national port of Canada. A few figures will show its importance in connection with our whole transportation system. The total quantity of grain handled during the last eight years by the Montreal Harbour Commissioners elevator system, exclusive of the grain handled by the Grand Trunk and other local elevators, shows what improved facilities have accomplished. The figures are shown in the following table:

Total quantity of grain handled or transferred.

Year.	Bushels.
1906	944,321
1907	1,078,289
1098	8,661,350
1909	11,691,071
1910	21,526,727
1911	21,007,164
1912	25,561,655
1913	44,000,000

This enormous figure for 1913 shows what modern improvement can accomplish in the handling of our western grain.

Let us take now the total quantity of grain received at the Grand Trunk and Harbour Commissioners elevators. I spoke of the quantity of grain exclusive of the Grand Trunk. The total quantity received at the Grand Trunk and Harbour Commissioners elevators, including the floating elevators, which are slowly but surely disappearing, has measured up to 62,562,549 bushels, of which 53,351,388 bushels were exported, as compared with 37,800,000 bushels in 1912, an increase of 15,551,388 bushels.

The maintenance of the channel is of great importance. So far, the material dredged by the Harbour Commissioners' dredges, and most of that dredged by Government dredges, has been saved and used in the construction of embankments

and in reclaiming land areas for the harbour.

The following table gives the average monthly depth of water in the ship channel in the harbour during 1913 as compared with the reports for 1912:

	1913.	1912.
May	35′ 8″	35′ 5″
June	33′ 3″	35′ 10″
July	31′ 8″	32′ 0″
August	30′ 9½″	30′ 11″
September	30′ 4″	30′ 8″
October	30′ 6″	30′ 8″
November	31′ 5″	32′ 2″

In connection with this, I might recall to my hon. friend what was said by the president of the Shipping Federation, Mr. Andrew Allan, in addressing the powerful corporation of which he is the head. I quote from the Montreal Daily Mail of a few weeks ago. This address was made on the occasion of the re-election of Mr. Andrew Allan. In it he referred to the report of Mr. Arthur Surveyer, a member of the Canadian Society of Civil Engineers, upon the water levels in the port of Montreal. Mr. Allan said:

> Last year I had occasion to refer to the probable lowering of the water in the river, as a result on the proposed Chicago drainage scheme. I now call your attention to a report by Mr. Arthur Surveyor, dealing with this matter. I might state that the federal Government have appointed a commission, consisting of Dean Haskell, of Cornell University; Mr. Forneret, superintendent of the Ship channel, and Mr. Stewart, chief hydrographer, to inquire into and report on the whole matter.

In his report on the depth of water in the St. Lawrence channel, Mr. Surveyer says:

> The lowest water occurred in November, 1911, when the level receded to less than 28 feet in the so-called 30-foot channel. It is evident that we are still far from the 35-foot channel and, with the lowest water plane steadily receding, it will take probably more than dredging before a 35-foot channel is obtained.

Mr. Surveyer goes on to say that he is convinced that the low water plane has subsided in the last forty years anywhere from two and a half to three feet, and that this fall has practically all taken place in the last twenty-five years. He thinks the three causes of the subsidence are the deforestation of the St. Lawrence basin, the enlarging by dredging of the controlling sections of the river, and the diversion towards the Mississippi river by the Chicago main drainage canal of a large volume of water which formerly passed to the sea via the St. Lawrence river.

I have read carefully the report prepared by Mr. Surveyer, and it is appalling to think that the river St. Lawrence may show further decreases in water level, so that possibly the interests of Montreal may be endangered and navigation between Quebec and Montreal may suffer seriously. I hope my hon. friend can give the House the benefit of his latest information on the subject and give some heart to the people of Montreal. The intelligence that the two new Allan liners, the Calgarian and the Alsatian, cannot come up to Montreal has created a sensation in shipping circles not only in Montreal but the country at large. After the millions and millions that have been spent in equipping Montreal harbour, and dredging the channel between Montreal and Quebec, it would be a thousand pities if this strategical point in our transportation system should now be jeopardized. I do not wish to delay the business of the House any longer, and I simply offer these remarks in order to get some assurance from the hon. gentleman that under his care the harbour of Montreal will be well looked after.

Mr. HAZEN: I will endeavour to give my hon. friend, as far as I can, the information which he asks regarding the Harbour Commissioners, the work they did last year, what they propose doing this year, and, generally, the information he is very properly seeking from me at this time. My hon. friend has very properly referred to the great growth that has taken place in the business of the port of Montreal. It is in order to continue that work, and to provide further facilities for the port that this Bill has been introduced. The purpose of this Bill is to provide a further advance to the Harbour Commissioners of $9,000,000 to defray the cost of additional facilities that have become imperative by reason of the very great expansion of trade at that port, which is the great entrepot of Canada. The development has been very rapid indeed, as may be understood by referring to the revenues of the commission. In 1909 the total revenue derived from all sources amounted to $687,772; in 1912, it had increased to $1,049,311; and for the year ending December 31, 1913, $1,361,964; and, as my hon. friend pointed out, during that period there has been an enormous increase in the total quantity of grain handled by the commission, increasing from 565,355 bushels in 1904 to 43,349,291 bushels handled in 1913. The increase in 1913, over the grain handled in 1912, was between 17,000,000

and 18,000,000 bushels, which is an indication of the great improvement that has recently taken place in the facilities for handling grain at that port.

Mr. LEMIEUX: What are the prospects at present?

Mr. HAZEN: It largely depends on the harvest in the West.

Mr. LEMIEUX: I understand that there is more grain there now than they can handle.

Mr. HAZEN: The present facilities will be able to handle that grain. As to the quantity that will be taken out during the year, that depends largely upon the crop that is produced in the Northwest during the present season. We are all glad to know that the prospects for a bountiful harvest are very good indeed. The increase in traffic in 1913 was particularly gratifying, but with additional facilities the growth will be even more marked. It is anticipated that with the extra facilities that are being provided the revenue of the harbour at the close of 1917 will reach the $2,000,000 mark, and that is without the imposition of tonnage dues on shipping. The various rates charged by the commission compare more than favourably with those charged at competitive ports in the United States. I might read a short extract from the report of the commissioners and one or two extracts from the report of the old commission bearing on this matter. In this year's report the commissioners say:

> Notwithstanding the marked depression in trade in the commercial world during the latter part of the season, due to which it was not expected that the tonnage of the port would show great increase, it is most gratifying for the commissioners to be able to announce that the past year has been a record one, as far as shipping is concerned, returns eclipsing by far those of any previous year, as may be seen from the statements appended hereto, showing respectively, for the past ten years.

I have here the last report made by the old commission, Messrs. Stephens, Ballantyne and Geoffrion, and I think it might be well to place one or two quotations on 'Hansard' for the information of the House. On the first page of the report the commissioners say:

> It is perhaps pardonable to restate here that the development plan authorized by the Canadian Government in the progressive enlargement of her seaport facilities at Montreal, has met with the approval of the highest authorities on transportation.
>
> To quote the words of Calvin Tomkins, commissioner of dock and ferries of the port of New York: 'I believe at the present time, while suffering from the disadvantage of ice obstruction in winter, Montreal nevertheless affords the best example of modern seaport organization.'
>
> In point of monthly volume of business, the port of Montreal takes its place as the second largest port in North America. Without imposing tonnage dues upon the ships, with a tariff of charges one-half of what existed twenty-five years ago, with a handling cost on all her through business reduced 50 per cent in six years, the port of Montreal though only at the inception of its development and far from realizing its ultimate economic possibilities, is able to pay out of a modest revenue all charges of maintenance, running expenses and the interest on every dollar invested in its development.
>
> Canada's national port is, therefore, being developed by money borrowed from the national treasury and upon which the current rate of interest is being paid out of the revenues from the port's business.
>
> Its boundaries have been extended, and the people of Canada now own, in fee simple, 16 miles of water front on either side of the river, untrammelled by a foot of vested interests.
>
> Not alone has an attempt been made to meet the requirements of the great shipping interests in the development of port facilities, but the great railways of Canada have been afforded access to the ships and sheds; the cartage companies have been provided with accessible means of reaching the merchandise warehouse within the harbour limits; while plans have been laid for the creation of an industrial harbour that will afford to all great industries taking advantage of the facilities of rail and water access to their own establishments on an economic basis that will bring power to the prestige of the port.
>
> There has, therefore, been achieved, with a measurable degree of success, a solution of one of the biggest problems which transportation presents, in the co-ordination of rail, river and road traffic, all meeting at a point of interchange, with possibilities of assembling cargo with economy and dispatch.

Passing over to page 249, I might read this, under the heading of General:

> Though something has been done to equip the port of Montreal in a manner befitting its importance as the head of ocean navigation, it must be remembered that many problems of great import yet remain to be worked out. In carrying on this work it will be wise to maintain the authority of the port executive in a manner which will permit of all interests using its facilities receiving equal and fair treatment. The administrative staff must understand that upon loyal service and merit alone depend their positions and advancement, and that no outside authority can appoint, promote or dismiss them.

The report is a very interesting one and would repay reading by gentlemen who are interested in the development of the great port of Montreal:

Some years ago the question of providing port facilities at Montreal was referred to a board of consultative engineers. In 1909 this board submitted a report outlining a definite programme of harbour improve-

ments and in the following year legislation was obtained authorizing an advance on account of this programme of $6,000,000. Immediately thereafter plans, specifications, etc., were approved for work estimated to cost $5,242,207.

In 1912 authority was obtained from this Parliament for a further advance of $6,000,000 and subsequent to this, plans, etc., were approved estimated to cost the whole amount of $12,000,000.

Mr. LEMIEUX: What is the debt of the port now?

Mr. HAZEN: Up to the 31st March last $9,150,706 of this amount had been advanced. There was some debt on the harbour then with regard to which I will get the figures for my hon. friend. This left a balance available at the first of the present fiscal year of $2,849,294 and as the result of the progress made upon the various items of harbour improvements, this amount will be all expended before the end of the present fiscal year. The present proposal to advance an additional $9,000,000 is considered sufficient to meet all requirements up to 1918, and it is not considered necessary that the expenditure of any one year shall exceed $3,000,000.

To meet the requirements of the traffic offering at the port of Montreal, it will be necessary to undertake, and, if possible, complete during the year 1914, an extension to the elevator system. The proposal is to add to elevator No. 1 an extension with a capacity of 1,400,000 bushels and at the same time to improve the unloading facilities there.

It will also be necessary during the present year to extend the railway system to meet the growing traffic. The construction of additional sheds in order to furnish accommodation for the increased needs of the various steamship lines will also have to be undertaken at once. Speaking more in detail, I may say to my hon. friend that the proposed programme for 1914 is about as follows:

Harbour grain elevator system	$ 800,000
Harbour railway system	282,674
Victoria pier and market basin	293,000
Permanent wharf transit sheds	477,990
Warehouse, Beaudry street	200,000
Shore wharfs sections 24 to 30	764,789
Dredging and filling in general	284,738
Paving and railway tracks on wharfs	150,000
Improvements to eastern section, below St. Mary's current, floating dock site	165,000
General improvements and plant	200,000
Permanent sheds, Tarte pier	28,474
Pointe-aux-Trembles wharf	$ 130,000
St. Lambert-Longueuil road and sewer	100,000
Retiring maturing debentures	200,000
Traffic department plant	192
Aylwin street subway	50,000
Unforeseen items	47,660
Total	$3,674,517

As to what has been done during the past year I might call the attention of my hon. friend to the report of the Harbour Commissioners for the year ended 31st December, 1913, which is not printed in the Report of the Department of Marine and Fisheries yet. We have printed, in this year's report, the report of the Harbour Commissioners to the 31st December of the previous year. This report, which I hold in my hand, has just recently come into the office. With reference to the progress of the harbour improvements perhaps I could not do better than to read selections from this report to my hon. friend. At page 11 they say:

Harbour Improvements.

A successful construction season, no serious accidents in the port, satisfactory labour conditions and the best season on record with regard to the operation of harbour facilities.

The Harbour Commissioners' railway line was completed to high level along the river front from Molson's creek to Racine pier.

Two permanent transit sheds were finished and opened for traffic on Tarte pier.

The Harbour Commissioners' elevator No. 2 and its connecting conveyer system to all the berths in the central part of the harbour, was operated during the whole of the season with perfect success.

Harbour Commissioners' elevator No. 1, situated in the most favourable position in the harbour for receiving and delivering grain was fully operated during the season, although an addition of one and a half times its present storage capacity was being constructed.

The dry-dock site, providing a large basin for the floating dock 'Duke of Connaught' and a large area of made land for the shipyard, was advanced almost to completion.

New quay walls of standard cribwork substructure and concrete superstructure were completed, having a total length of over 2,200 lineal feet and 2,000 lineal feet partly constructed.

Railway tracks to the extent of about four miles were constructed and an additional one mile improved and relaid.

The removal of the artificial works at Moffat's island was greatly advanced and its ameliorating effect on the St. Mary's current towards the close of the season was very marked.

One of the important items of new work commenced was the construction of a large industrial wharf at Pointe-aux-Trembles.

Another new work commenced was the construction of two new transit sheds on the high level bulkhead wharfs, sections 24 and 25.

A new electric hoist, with bridges, connecting with the upper stories of the sheds on the Alexandra pier was constructed during the season.

Important items of paving on the wharfs were completed and the roadways were put in a very much improved condition.

A commencement was made towards the reconstruction of the superstructure of the wooden piers in the central part of the harbour, consisting of the substitution of concrete for the portion of the quay walls above low water level.

Important additions and improvements were made to the Harbour Commissioners' construction and operating plant.

Then details of the work are given which it would take a very considerable time to read. My hon. friend also made some inquiries regarding the machine shops and shipyards which form part of the work. I find these matters referred to at page 33 of the report:

Machine shop and shipyard.

The machine shop and shipyard, situated on the Mackay pier, are fitted up specially for the construction and maintenance of the dredging and construction plant.

The shop is an old wooden structure, but well equipped with excellent tools and machinery. There is also an excellent smith shop and boiler shop, both equipped for building and repairing.

The shipyard is very conveniently located for the hauling out as well as the construction and repairing of vessels.

Since 1910, the entire machinery of the two dredges has been built, as well as the hull and machinery of a floating derrick, a tug and eight large flat scows.

The usual maintenance and repairs to the commissioners' fleet were well and economically carried out during the year.

My hon. friend asked in regard to the expenditure on the Harbour Commissioners' railway tracks to the end of 1913. The figures are given in detail, but the grand total of the tracks is placed at 37·3042 miles or about 37⅓ miles. Then my hon. friend also asked about the number of people who were employed. I find a table showing the maximum and average number of workmen employed directly by the Harbour Commissioners during the season of 1913. The maximum number employed was 1,797 and the average 1,283. They are divided as follows:

	Average.
Construction of wharfs, etc.	610
Maintenance, cleaning, removing ice, etc.	58
Harbour yard, carpenters, blacksmiths, etc.	25
Sawmill and timber room, sawyers and handymen	26
Machine shop, machinists, blacksmiths, etc.	74
Shipyard, carpenters, labourers, etc.	85
Dredging fleet, crews of dredges, tugs, etc.	297
Grain elevators, foreman and operators.	76
Floating elevators, foreman and operators	22
Shed repairs and maintenance	10
Total	1,283

[Mr. Hazen.]

The disbursements on capital account were $2,461,794.62. The principal works of improvement carried out were:

Harbour dredging	$252,742 61
Real estate	99,671 35
Wharfs, piers and basins	779,052 80
Plant	90,544 09
Shops and buildings	14,924 12
Railways	118,007 52
Permanent sheds	190,100 70
Electric hoists, etc.	31,213 49
Grain eleavtors	884,837 93

The debenture debt of the commission on the 31st of December, 1913, was $21,542,000 of which $1,672,000 is due to the public, and $19,850,000 to the Dominion Government. The average rate of interest on these debentures is 3·344 per cent.

The level of the water in the harbour is a most important matter. My hon. friend (Mr. Lemieux) probably recollects that last year I got authority from Parliament for the appointment of a commission to consider the question of the effect the dredging in the St. Lawrence is having upon the level of the water in the harbour of Montreal. The commission was composed of Dean Haskell who has had large experience in that work on the Mississippi and other large rivers in the United States, W. J. Stewart, head of the Hydrographic Survey, and Mr. Forneret, superintendent of the work on the St. Lawrence channel. It was hoped that the report would be ready for discussion in Parliament this session, but the work was more complicated than expected, and the report will not be ready before next session. We will then have scientific data which will enable us to decide what should be done. If it should be found that the work going on in the ship channel is lowering the level of the water in Montreal harbour, then the question of constructing compensating works to hold back the water will have to be dealt with promptly, because it affects the trade of Montreal, which is a matter of great importance to the Dominion.

Mr. LEMIEUX: The explanation of the hon. gentleman is very satisfactory. What proportion of the work in Montreal harbour is done by the commissioners themselves and what proportion by outsiders? Are tenders called for all the work which is not done by the commissioners?

Mr. HAZEN: All the work is done under the direction of the commission, but for the erection of the last sheds they called for tenders and awarded the contract to the lowest tenderers. The last elevator was built on the same principle as that adopted by the Canadian Pacific railway in constructing its elevators. They get a reputable firm of elevator-builders to do the work for the cost of labour and material, and above that a commission for their services. The former commission built one of the elevators in the same way. I doubt very much myself whether it is the wisest course to follow. The Quebec Harbour Commissioners recently asked for tenders and made a contract for a lump sum, and I think perhaps the result may be more satisfactory. I talked the matter over with Mr. Ballantyne, who is a sound business man, and he believes that the system gives splendid work and is in the end more satisfactory, and the fact that a great corporation like the Canadian Pacific railway, which conducts its business on most approved lines, builds its elevators on the same principle, is no doubt a strong argument in its favour. All the work in the harbour is done by the commission, with the exception of that part of the St. Lawrence channel which runs through the harbour, and that is charged against the appropriation for the deepening of the St. Lawrence channel.

Mr. LEMIEUX: The debt of the harbour of Montreal is at present $19,000,000?

Mr. HAZEN: Yes.

Mr. LEMIEUX: How much will it be if this legislation passes ?

Mr. HAZEN: They probably will have spent this money in four years from now and the debt then will be $28,000,000.

Mr. SINCLAIR: Will this be enough to finally equip the port of Montreal?

Mr. HAZEN: I do not think it will. If the country continues to grow we will have to be working all the time at the port of Montreal. The progress of this country will to a great extent be measured by the volume of the business in the port of Montreal. If we have only sufficient facilities for doing the business of to-day, then if the country develops these facilities will have to be increased. I have no doubt that whatever Government happens to be in power the commissioners will be asking Parliament to make provision for advances so as to keep the harbour at Montreal abreast of the times. I sincerely hope that will be the case.

Mr. SINCLAIR: We shall all be glad to see that happen. I would not, however, like to see the idea go abroad that the Government should be responsible for all the expenditures at these ports. In improving the port of Montreal we increase the value of every house and every business stand and every piece of property in the city, and the city of Montreal should bear some part of the burden. I understand that at present that is the system adopted in Montreal, and so far I am in accord with it. We are borrowing money and lending it to the Harbour Commissioners, and they pay interest at the rate of three and a half per cent on the loan. I think that is the proper policy. We sometimes hear people advocating that the Dominion at large should bear the expense of equipping what are called the national ports, but that is not the policy in vogue in Great Britain. The harbour trust in Glasgow looks after the equipment of the port in that great city, and it is one of the best equipped ports in the world. The port of Glasgow does not depend upon the Government to sustain it, and the trade of the port pays the interest on the money expended. I am not objecting to the present Bill; it is largely in the line I would advocate, and I simply want to place myself on record in favour of a policy by which the trade of the port of Montreal should bear the greater portion of the expenditure necessary in order to provide for the necessities of that trade.

Mr. LEMIEUX: If I mistake not the harbour of Montreal is the only harbour in Canada that pays the interest on its debt.

Mr. HAZEN: It is the only port that is self-sustaining. When the Government constructs wharfs in other harbours the dues on these wharfs are collected under the Harbour Masters' Act and they go into the consolidated revenue of the country. The port of Montreal is absolutely self-sustaining. On every dollar that is advanced by the country the Harbour Commissioners, out of the revenues of the harbour—elevator charges, shunting charges and other items of revenue—have paid the interest.

Mr. SINCLAIR: It is not altogether self-sustaining, because we loan them the money at three and a half per cent, and we are paying more than that.

On section 3—interest on debentures:

Mr. LEMIEUX: Following the line of the remarks of my hon. friend from Guysborough (Mr. Sinclair), the Minister of

Marine and Fisheries may know that action was taken lately by the city of Montreal against the Harbour Commissioners for the payment of taxes. So far the Harbour Commission has always contended that it, being a commission receiving its power from the Crown, was not liable for taxes. I understand that action was taken and judgment rendered, Mr. Justice Weir declaring that the Harbour Commission was not liable. Has there been an appeal from that judgment, or has the city of Montreal agreed to accept it?

Mr. HAZEN: I understand that it is the intention of the city of Montreal to appeal from the judgment of Mr. Recorder Weir, who decided that the commissioners' property is not liable to taxation. It certainly seems to me that some action will have to be taken about the matter if the decision should ultimately be that the property is liable to taxation. It has never paid a dollar of taxation in the past, nor has any attempt been made to levy taxes upon it. While, in a sense, this is the property of the Harbour Commissioners, it is public property in the broader sense of the term, and it would be a monstrous thing, it seems to me, if this Parliament should be asked to make these large appropriations for the port of Montreal and for the enlargement and improvement of the harbour, and then find itself faced with charges to a very large amount—for it would reach a very large amount—for taxes. I understood from the previous Board of Harbour Commissioners that they discussed this matter with the civic authorities, those authorities took the position that they could not do otherwise than impose taxes upon the Harbour Commissioners' property, but that they are quite willing, if the courts decided that the property was subject to taxation, themselves to apply to the Quebec Legislature for an Act exempting it from assessment. I understand, however, that that is not the attitude of the present civic government in Montreal. That being so, the matter is still in our hands. We are not obliged to make advances to the Harbour Commissioners, and I think we should carefully consider the matter before making advances, and ascertain whether the civic authorities intend to make us pay large sums in taxation. Every citizen of Montreal with whom I have spoken about the matter feels that it is not right that the property should be asked to pay taxes, but that it should be regarded the same as any other property belonging to the Crown.

4 p.m.

Bill as amended reported, read the third time and passed.

QUEBEC HARBOUR COMMISSION.

On motion of Hon. J. D. Hazen (Minister of Marine and Fisheries), Bill No. 192, to provide for further advances to the Quebec Harbour Commissioners, was read the second time and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 1:

Mr. HAZEN: The purpose of this Bill is to authorize a loan to the Harbour Commissioners of Quebec of $2,000,000 to continue the plan of harbour improvements which was commenced under the authority of the legislation of last session. It will be recalled that during the last session authority was obtained for an advance of $3,500,000 to the commission. Immediately following the passage of that measure plans for a comprehensive scheme of harbour improvements were prepared under the direction of the commission, which, in turn, received the approval of my department. In carrying out the work contemplated by this scheme some $2,960,363 was expended up to the end of March last. This left a balance unexpended of $539,637 available for the operations of the present season. Up to the present time very satisfactory progress has been made with the work undertaken by the commission, and it is confidently expected that before the expiration of the present year there will be available at Quebec accommodation that will substantially assist the growing need of shipping at that port. One of the most important items of the scheme of harbour improvements is the construction of a first-class modern elevator with storage capacity of 1,000,000 bushels. This elevator, including a complete electric power plant, is now practically in readiness to receive grain. Substantial progress has also been made with the extension of the piers at the Louise embankment which, when completed, will afford much needed berthing accommodation for the additional ocean steamships coming to the port.

As the result of what the commission has been able to accomplish in the short time that they have been in charge of operations, a very satisfactory increase in the traffic, as evidenced by the increased revenue, is to be noted. For the year 1912, the gross earnings of the harbour were $126,131.39.

For the year ending the 31st December last, the earnings had increased to $176,020.80, exclusive of an annual rental the commissioners propose to charge for the site occupied by the new Dominion Immigration building of $50,000. When the improvements contemplated by the proposed loan are completed there is every reason to believe that the increased traffic will yield ample revenue to provide for operating and interest charges.

Mr. LEMIEUX: To cover the old debt?

Mr. HAZEN: Not the old debt; I am afraid it will be some years before they will be able to discharge the old debt.

Mr. LEMIEUX: What is the amount of the old debt?

Mr. HAZEN: I will give my hon. friend the figures in a moment. There are certain amounts owing not only to the Government but to individuals, and these latter were made a charge ahead of the interest charges on last year's advance. The revenues last year and this year will, we expect, be ample to pays interest on the advance of last year and this; but not for many years to come will they be able to pay the interest on the old debt, which has been standing for quite a number of years and which amounts to a considerable sum. The expenditures last year were made up as follows: Foundation and channel work under contract with the Dominion Dredging Company, $642,361.

Mr. LEMIEUX: How many dredges are employed by the Dominion Dredging Company?

Mr. HAZEN: Two. The next item is that of the quay extension, Louise embankment, providing for bulkhead, engineering, timber for new crib, general plant and bulkhead contingency, amounting to $764,000. The amount of expenditure upon grain elevator under contract with the Canadian Stewart Company was $739,000, and upon car ferry terminals, $117,523.

Mr. LEMIEUX: What are these car ferry terminals?

Mr. HAZEN: That work is being done under arrangement with the Commissioners of the Transcontinental railway. There will be, as I understand it, a considerable sum of money, on the settlement of accounts between them, to be paid back to the Harbour Commissioners by the Commissioners of the Transcontinental, an amount that will run up to about a quarter of a million dollars. Other expenditures were floating crane, $51,000; service boat, $22,000; floating fenders, labour, timber, etc., $3,000; dredging plant, $271,000; crib-work at Fly bank, $92,000; elevator dredge, $57,000; new dump-scows, $72,000, and so on, amounting to the sum which I have mentioned.

As to the work which is to be done this year, the dredging contemplated includes a trench for the proposed quay wall and the channel approach. This work involves the removal of 2,000,000 cubic yards of material. The estimated cost of this dredging amounts to $400,000. With regard to the quay extension, Louise embankment, this item covers the construction of 1,818 lineal feet of substructure and 1,200 feet of superstructure, of a crib-work retaining wall extending along the northern face of Princess Louise embankment on the lines laid down by Messrs. Coode, Matthews, Fitzmorris & Wilson, together with the necessary filling in. Then there are railway tracks on two other properties amounting to $50,000; purchases of Indian Cove property, purchase of new locomotives and the construction of conveyor galleries. The latter will probably not be required this year, but the contract will probably have to be entered into this year.

Mr. LEMIEUX: Will that be covered by the $2,000,000?

Mr. HAZEN: Yes. I may say that the old debt, exclusive of the loans of last session and this, is about $5,415,722.

Mr. LEMIEUX: That is very satisfactory. I wish to call the attention of my hon. friend to a statement which he made not very long ago, and which was received with great satisfaction by Canadians at large, namely, that, as far as possible, any ship or any material required by the Government in connection with shipping would be purchased or built in Canada. I was very much surprised to learn that the Quebec Harbour Commission had recently placed orders abroad for a large crane, a large dredge, a floating grain elevator, and a steam tug. The value of this equipment will amount to several hundreds of thousands of dollars, in fact, my hon. friend, in answer to a question which I put lately, stated that this will entail a very large expenditure. All of this equipment could have been constructed at different Canadian works, at Levis, near Quebec, or at Montreal, at the Vickers' works, or on the Great Lakes at Collingwood, or elsewhere. There

are several structural steel companies in Canada fully prepared to accept an order for the construction of such vessels. There is a plant at Levis, the Davey plant, one at Kingston, one at Montreal, one at Collingwood, one at Toronto, one at Port Arthur, capable of building the whole of these different appliances. There are more than a dozen engine builders and boiler builders in Canada fully equipped to produce the engine plant and boiler plant required, of the highest possible quality. In fact, we know that lately possibly the largest grain carrier ever built was launched at Collingwood on the Great Lakes. As a Canadian and a moderate protectionist, I cannot see why this Government of high protectionists should go abroad to get the appliances and the ships and the dredges and the engines and boilers required for the Harbour Commission of Quebec, or any other commission in the country. We have the Canadian Westinghouse Company, the Canadian General Electric Company, each of them having an output equal to the largest British companies, each fully prepared to deliver all electrical appliances required on the shortest notice, of the very highest quality, not to speak of several other electrical works in Canada. Every dollar's worth of material and every day's wages that have been put on the building of these harbour appliances abroad for the harbour at Quebec could have and should have been provided in Canada. It is true my hon. friend may say that after tenders were called he found that the prices in England were a shade cheaper than the prices in Canada, but it has always been the policy of this Government and of former Governments to give the preference to Canadian firms. You must bear in mind the Customs duties which enter into the account, and in that way you can give our Canadian firms the preference. The Marine Department has recently announced, through a statement of my hon. friend in the House, that it is the policy of the Dominion of Canada to place all orders of the Department of Marine, for shipbuilding, in Canadian works. Does this rule not also apply to other public works, and will not the Government state that instructions will be given to all harbour commissioners and all bodies having authority to place orders for marine or other appliances to be used in harbour improvements or other public works, that all such orders must be given to Canadian manufacturers. We have the Westinghouse Electric Company at Hamilton, the Steel Company of Canada, also at Hamilton, the Bridge Works at Hamilton, the General Electric Company, the Polson Iron Works at Toronto, the Collingwood Shipbuilding Company at Collingwood, the Western Dry Dock Company at Port Arthur. So, not going outside the province of Ontario, these appliances could have been supplied by the firms which I have already mentioned. These works, with the capacity for employing 50,000 workmen, are curtailing their operations and discharging their workmen because of lack of orders, while these public bodies, like the harbour commission, are sending public money abroad to employ foreign workmen in the same occupations. The Vickers Company, of Montreal, could have filled the whole order in its own works for these harbour appliances.

Mr. HAZEN: I do not think they could then, as their works were not ready. They could now.

Mr. LEMIEUX: With all due deference, I met the other day one of the members of the firm, who had read the answers given to my questions on the Order Paper. He said that he felt very sorry that his firm had been forgotten in the distribution of orders and that the Vickers in Montreal could have supplied all those appliances. At all events, I simply call the attention of my hon. friend to the announcement made some months ago that in future his policy would be to give the preference to Canadian firms as regards Canadian ships, and, generally speaking, Canadian appliances for our Canadian public works and for the use of the harbour commission, etc.

There is another point about the harbour commission in Quebec. Of course we all have a great deal of confidence in Mr. Price, the chairman of that board; but some facts have come to public notice lately which lead me to believe that it would be a good thing if Mr. Price could be at the office every day because these facts would lead to the belief that the administration is somewhat lax. I shall give an instance. The Harbour Commission purchased lately a quarry at a place called St. Nicholas in the county of Lévis, just across the river. The property, three acres by five, approximately, was purchased on the 2nd of April, 1913, from a gentleman by the name of Jules Giroux. The price paid was $4,500. This Jules Giroux had purchased the property from a man named Desjamin Demers, on the 29th of March, 1913, for $2,000; that is to say, in less than a week a profit of $2,500 was realized on a property which

had been bought just a few days before for $2,000. That may be a small amount, but it enables one to judge of the other things that are being done by the Harbour Commission. I do not wish to detain the House at any length because every minute of our time probably costs $2,500, but I simply leave this fact with my hon. friend the Minister of Marine and the hon. gentleman who is leading the House, the Minister of Public Works; $2,500 made out of the people of this country in less than five days. Surely there is a nigger in the fence.

Mr. ROGERS: In the quarry, you mean.

Mr. LEMIEUX: This man, Jules Giroux, who sold the property to the commission, states in the deed of sale that he received no consideration, that he is only a go-between; but it is known that he is a brother-in-law of the son of one of the Harbour Commissioners, Mr. Gravel. Far be it from me to impute motives, but I say to my hon. friend that he had better tell Mr. Gravel, that his son has a brother-in-law who is rather costly to the country, because in four days he was able to shave off a nice little profit of $2,500. If we must judge Mr. Gravel in big things as he has been acting in small things, I say to my hon. friend be careful of this $2,000,000 that you are advancing. That is a large amount of money, and I say: keep your eye wide open, Mr. Minister. I hope my hon. friend will read the Riot Act to Mr. Gravel and tell him to stop all such nonsense. This little graft of $2,500 is unworthy of the Quebec Harbour Commission. I am sure that if Mr. Price had known of this deal he would not have sanctioned it. On the whole, the explanations of the hon. gentleman are quite satisfactory, and I leave him with this little grab of $2,500.

Mr. HAZEN: I may say to my hon. friend that he and I agree entirely as to the policy of having Canadian ships built in Canada, and to show how that policy is being carried out I may say that all tenders that are now being asked for, for the construction of ships for the Canadian Government contain the clause that the ship must be built in Canada. We have given notice to the world to this effect. We gave the contract for that great ice-breaker we are having built for the St. Lawrence to the Canadian Vickers Company, Montreal, who were the lowest tenderers complying with the clause that the vessel must be built in Canada. In regard to the vessels to which my hon. friend has referred, the Quebec Harbour Commissioners tell me that they were not aware of our policy of having all Government vessels built in Canada at the time they gave those contracts, and they said it would have been impossible for any shipyard in Canada to have delivered the boats in time. That is the statement made by Mr. Price, through the secretary of the board, and I have no doubt it is correct. With regard to the sale of property to which my hon. friend has referred, I might say that as soon as I heard of it I at once brought it to the attention of the chairman of the Quebec Harbour Commission. Mr. Price tells me that he is satisfied that Mr. Gravel, who has, I believe, an admirable reputation in Quebec, and is one of its leading business men, had no knowledge whatever of the transaction; that, so far as he was concerned, there was no wrong-doing at all, and that he did not in any way convey the information which led to the persons speculating in and making a profit out of this land. The matter has not come up for the first time now. It was first brought to my attention in a newspaper article, and I at once communicated with Mr. Price, who said that he was satisfied that there was no wrong-doing on the part of Mr. Gravel.

Mr. LEMIEUX: Does not my hon. friend think it strange that a property bought on the 29th March, 1913, for $2,000 should be sold four days afterwards to the Harbour Commission for $4,500? Does not my hon. friend think that that increase is rather questionable?

Mr. HAZEN: I admit it was a pretty rapid increase.

Mr. LEMIEUX: It is a half-confessed sin, and I forgive my hon. friend.

Section agreed to.

On section 5—plans, etc., to be approved before work is commenced:

Mr. LEMIEUX: Going back for a moment to the Calgarian and the Alsatian: whereabouts are they going to dock at Quebec? Will they lie at the old Allan wharf or the Empress wharf?

Mr. PELLETIER: Next to the Empress wharf.

Mr. LEMIEUX: Is it a permanent arrangement that the new Allan liners shall stop at Quebec instead of coming up to Montreal. I should like to know, because some little surprise has been caused at Montreal by this change.

Mr. PELLETIER: There is nothing in the mail contract to the effect that those steamers should come to Montreal.

Mr. HAZEN: My hon. friend knows that the Empresses have stopped at Quebec for years past.

Mr. LEMIEUX: It is said that the new liners cannot come to Montreal because they draw too much water. As a matter of fact, the Laurentic and the Megantic have a greater draught, and they come up to Montreal. I may just as well frankly say that the impression in Montreal is that the Allan people were told that the mail contract would not be increased unless the new steamers made Quebec their terminus, instead of Montreal. I do not know whether it is true or not.

Mr. PELLETIER: There is not a word of truth in it. I suppose my hon, friend saw that in the papers. No such suggestion was made; the steamship companies are absolutely free to go to whichever port they like. There is no pressure, and I do not see why my hon. friend should begrudge Quebec the privilege of having one or two ships stop there. I understand that my hon. friend represented the district of Quebec in the late Government for some years.

Mr. LEMIEUX: Yes.

Mr. PELLETIER: And this is the second time this afternoon that he complains of these two ships stopping at Quebec.

Mr. LEMIEUX: No, I do not.

Mr. PELLETIER: It looks like it. At all events, the Government, or the Post Office Department, has nothing to do with it.

Bill reported.

TORONTO TERMINALS.

On motion of Hon. J. D. Reid (acting Minister of Railways and Canals), Bill No. 196, respecting the Canadian Pacific Railway Company, the Grand Trunk Railway Company of Canada, and the Toronto Harbour Commissioners was read the second time, considered in committee, reported, read the third time, and passed.

ST. JOHN AND QUEBEC RAILWAY.

On motion of Hon. J. D. Reid (acting Minister of Railways and Canals), the House went into committee to consider the following proposed resolution, Mr. Blondin in the chair:

[Mr. Lemieux.]

Resolved, that it is expedient to provide for the cost of building three railway bridges in the province of New Brunswick, one across the St. John river at or near Andover, in the county of Victoria; one across the St. John river at or near Mistake, in the county of Kings; and one across the Kennebecasis river, at or near Perry Point, in the said county of Kings.

Mr. REID: In the year 1912 the Dominion Parliament passed an Act by which they agreed to guarantee the bonds on the bridges mentioned in this resolution in connection with the St. John Valley Railway Company in New Brunswick. The railway company and the province of New Brunswick have found on further investigation that the railway company will not be able to build the bridges for the amount originally estimated by them. They are unable to proceed with the construction of the bridges without further assistance from the Dominion Government. As it is the intention of the Government to take this railway over and operate it in connection with the Intercolonial railway when it is completed, the Government have decided to give further aid towards the bridges mentioned. However, instead of guaranteeing the bonds, as was originally done in the Act of 1912, the Government have come to the conclusion that it would be much better for them to build the bridges themselves. They will call for tenders and let the contract and the work will be carried to completion through the Department of Railways and Canals. When the bridges are completed, they will be owned entirely by the Dominion Government. In the former agreement the Dominion Government agreed to allow the railway company to use all the bridges for fifteen years without interest, and after that the provincial Government was to get a certain percentage of the earnings on the St. John Valley railway, and the St. John Valley Railway Company were to get any profit there might be over and above the earnings and the payment of the interest on the bonds that will be issued against the bridges in connection with this railway. In this Bill it is proposed that the bridges, including all necessary approaches, will be built by the Dominion Government and that they shall belong to and be the property of His Majesty. After the bridges are completed the Minister of Railways may enter into an agreement with the Government of the province of New Brunswick and the St. John and Quebec Railway Company, under which agreement it will be

provided that for the fifteen years after the bridges are completed no charge shall be made in respect to the cost of construction of the bridges. In other words, the original arrangement of allowing the bridges to be used for fifteen years free of interest will be carried out, but after the fifteen years His Majesty shall be entitled to the gross earnings of the bridges; being such proportion of the said gross earnings of the railway, exclusive of the railway and of the bridges, as the cost of the bridges bear to the combined cost of the railway and of the bridges. The earnings of the bridges in proportion to the total cost of the railway will be paid to the Dominion Government.

Mr. CARVELL: I am happy to say that the minister and myself are very nearly in agreement over this Bill, and I congratulate the minister and the Government on the course they have taken in absolutely eliminating the St. John and Quebec Railway Company from having anything whatever to do, either directly or indirectly, with the construction of these bridges. I only wish it were possible to go to the same extent in the province of New Brunswick, that my hon. friend the minister is going in so far as the federal Government is concerned. I do not like to say to him, that I told him to do this, but I want to say to the people of this country that in the speech I delivered here three or four weeks ago I advised him to do it, in view of the great scandal that is going on in the province of New Brunswick at present.

Mr. LEMIEUX: He put it in the Bill on account of what you said.

Mr. CARVELL: I will not go to the extent of saying that, and I give the minister credit for wanting to do what is right.

Mr. LEMIEUX: Do not give him too much credit.

Mr. MACDONALD: You will spoil him.

Mr. CARVELL: I pointed out that things were not going on properly in our province in respect to this railway question and I say so now, but if the minister carries out the proposals in the Bill—an advance copy of which he was good enough to send me a few moments ago—I am satisfied that so far as the bridges are concerned the thing will be carried out fairly and honestly. I know the minister will carry it out according to his promise, and that he will call for public tenders, and I believe there will be no boodling so far as that part of the transaction is concerned. I have not had time to examine the details of the Bill, but they will come up for discussion later. The Bill, of course, is not yet before the House, but I call the attention of the minister to that clause in it with reference to the proclamation which would mean that the construction of these bridges might be postponed for a year.

Mr. HAZEN: The Government could proclaim it at any time.

Mr. CARVELL: They cannot proclaim this Act until after legislation is passed in New Brunswick and that might be a year hence.

Mr. HAZEN: Would it not be sufficient if there was an Order in Council passed by the provincial Government agreeing to bring in legislation at the next session? There would have to be legislation by the province, and of course my hon. friend sees the difficulty there.

Mr. CARVELL: We want this work finished as quickly as possible, so that we may be able to forget this thing altogether. We want these bridges built now. When the Bill comes to its second reading, possibly some arrangement can be made with respect to that. I am satisfied that the Minister has worked out this scheme properly. The original scheme was that the Government was to guarantee the bonds to the extent of one million dollars, upon which the federal Government was to pay the interest for fifteen years; now the federal Government owns the bridges, and the same idea will be carried out by charging no rental to the railway company for fifteen years. After the fifteen years the Government will charge the railway company along the same lines as those in the original agreement. I think the minister has his Bill properly drawn along these lines, and I therefore have great pleasure in congratulating the minister and stating that he has my hearty approval for this resolution, subject of course to the necessary amendment to which I have called attention.

Mr. MICHAUD: I congratulate the acting Minister of Railways, and I am sure he is filling well the position of the Minister of Railways during his absence, in so far as these bridges are concerned. I am glad to see by this Bill that the building of three bridges means that one bridge will be built over the St. John river at Andover, in my constituency, which means that the

railway will be built as far as Grand Falls. Last year we endeavoured to get a subsidy from this Government to build the railway from Andover to Grand Falls, but the Minister of Railways refused, telling us that it was not advisable to build a railway parallel to the Canadian Pacific railway for that distance. The fact that they are going to build a bridge across the St. John river at Andover means that the St. John Railway Company will run on the other side of the river, and it will not necessarily parallel the Canadian Pacific railway. Like the hon. member for Carleton (Mr. Carvell) I believe in the good will of the acting Minister of Railways. I hope he will endeavour to see that these bridges will be constructed as soon as possible, and if the Bill is not what it should be with regard to the proclamation, we have his assurance that nothing will be allowed to interfere with the speedy construction of these bridges. I hope that will be the case.

Mr. REID: The Bill has been prepared with that very object in view, and it shows very plainly that our intention is to carry out this work.

Mr. McKENZIE: Is this not a new departure? Is there a precedent for action of this kind? The Government propose to build and own bridges on a line of railway which is under different ownership, and on which they will own nothing except the bridges. If there is precedent for this in Canadian railway building, I am not aware of it.

Mr. REID: I do not know if the hon. member is aware that it is the intention of the Government that the Intercolonial railway should operate the St. John Valley road—that is, this road when completed will be really a part of the Intercolonial Railway system. The original arrangement was that a bridge company was to be formed to build these bridges, which were then to be leased to the railway, and we were to guarantee the bonds. But it has been decided that we should build the bridges on this line, which as I say, will be part of the Intercolonial railway, so far as operation is concerned.

Mr. McKENZIE: But I understand that no part of this railway becomes a part of the Intercolonial railway.

Mr. REID: Under lease.

Mr. McKENZIE: By agreement between the company and the Government on a percentage basis, the Intercolonial Railway system is to operate this road. That is all.

[Mr. Michaud.]

Now, it strikes me as peculiar, and a very radical departure, for the Government to build expensive bridges upon a road which they do not own. Certainly, these bridges will be a white elephant on their hands if the road should prove unsuccessful. I cannot understand why the bridges could not be built under an agreement similar to that made with regard to the rest of the road. There may be good reasons for it, but I do not know what they are. If the building of these bridges means the difference between New Brunswick having this road and not having it, I should be glad to see the Government assist in building the bridges. But I think it must appear to the acting Minister of Railways himself that it is an anomaly to have a railway partly owned by the Government and partly owned by others.

I must say also to the Prime Minister (Mr. Borden) that while he is dealing with a lavish hand with the province of New Brunswick so far as railways are concerned, he is, I fear, neglecting his own province.

5 p.m.

The province of New Brunswick has advantages in railway facilities which the province of Nova Scotia never had. The further you go east, the further you go out on what has been called the 'Long Wharf' of the Dominion, the province of Nova Scotia, the further you go from the railway centre. The province of New Brunswick is crossed and recrossed by lines of railways. In Quebec they have very great advantages in the extent of their railway facilities; and, when you come to Ontario, you find that from east to west, it is gridironed with railways. When the Prime Minister proposes that this extraordinary course should be adopted to give further railway facilities to a province that is already well served, he should not forget his own native province. He must not forget that we have no other representative in the Cabinet but himself, nobody else to whom we can go about such matters. I know that his attention is burdened with great questions of many kinds, but his native province looks to him and expects him to see that its railway interests are not neglected. He is making a new step in the history of railway building under this measure. And while he is assenting to dispositions of this kind for railway development in one part of the country, I hope that the railway projects of his own province, which we have been putting before the House and before himself, will receive serious consideration at his hands.

Mr. BORDEN: I shall bear in mind the suggestion of my hon. friend and shall endeavour to see to it that the interests of my own province are not neglected. As to this particular case, we had undertaken to guarantee the bonds for $1,000,000. It turned out that nearer $3,000,000 was required. We had the choice of one of three courses: First, to do nothing; second, to increase the guarantee of bonds to $3,000,000 or thereabouts, and, third, to build the bridges ourselves. Upon consideration of the whole question, a question that was not without difficulties, we concluded that the last-named course was the best. And while I am mindful of the claims that my own province has upon me, I can hardly refrain from what seems reasonable in this case, merely for the reason that I did not happen to be born in the province of New Brunswick.

Mr. SINCLAIR: Will the acting minister tell us if he has estimates of what these bridges will cost?

Mr. REID: I am informed that they will cost less than $3,000,000; I think the estimate is something like $2,800,000; but we ask for $3,000,000.

Mr. SINCLAIR: Was that an estimate made by an engineer?

Mr. REID: Yes, the estimate was made by Mr. Montserrat, chairman of the Quebec Bridge Commission, who is supposed to be one of the best bridge engineers in Canada. He made a careful investigation and a report with an estimate of the cost.

Mr. CARVELL: Do I understand that we have the promise of the minister that these bridges will be built by contract after public tender?

Mr. REID: By tender, with public competition.

Mr. CARVELL: I am glad to hear that. For fear of agreeing with the minister to too great an extent to suit some of my hon. friends around me, I wish to say that I cannot agree with him in the statement he made some time ago that they found the million-dollar guarantee not sufficient to build these bridges.

I wish to congratulate my hon. friend upon this. I think the Prime Minister put it very fairly when he said that three courses were open: the first was that of doing nothing; the second was that of carrying out the bond guarantee or increasing it, and the third was that of building the bridges themselves. I think that they have done just what they ought to have done. I want to tell the committee that it was not necessary to increase the bond guarantee, and it was not necessary to change this legislation one iota, because if the money which had been voted by the province of New Brunswick had been honestly accounted for, there would have been enough money to have built the road. However, I congratulate my friends for taking the next best step with a view to creating some sort of order out of chaos.

Mr. HAZEN: I cannot allow my hon. friend to make the assertion which he has made before this committee without saying that he has no justification or warrant for making it. Certain charges have been made in connection with the Valley railway and the party who made that charge in the legislature of New Brunswick asked that a committee be appointed to investigate the matter. The legislature, composed almost entirely of supporters of the present local Government, amended the resolution and provided that a commission should be appointed to investigate these charges. A commission was named consisting of Sir Frederick Barker, ex-chief justice of the Supreme Court of the province of New Brunswick, Hon. H. A. McKeown, judge of the Supreme Court and Mr. W. S. Fisher, a leading merchant of the city of St. John. Unfortunately, owing to the state of his health, Sir Frederick Barker declined to act, although he expressed his entire willingness to do so when approached on the subject before the commission was appointed. Another commissioner is to be appointed to take Sir Frederick Barker's place; I understood that he was to be appointed this week. Who he is, I do not know. That commission is to inquire into these charges and I think that until these charges are inquired into and until the evidence is brought before the commission my hon. friend is not warranted in making the assertion that he has made before this committee. This whole matter, therefore, is now under consideration and will be inquired into by this independent commission composed of gentlemen in no sense partisan; gentlemen on one side or the other of politics, who have the confidence of the people of New Brunswick. In view of these circumstances, I do not think that my hon. friend ought to make such assertions as he has made and I do not feel that I ought to allow them to go unchallenged. With regard to the cost of the bridges, I

may say that the estimate made by Mr. Montserrat for the bridge crossing the St. John river is about $2,063,000. The bridge is expensive because of the great difficulty experienced in getting satisfactory foundations, Mr. Montserrat, after having inspected the different sites along the river, has made the estimate which I have mentioned. It is estimated I believe, that the crossing of the Kennebecasis river will cost something in the neighbourhood of $500,000. These are the facts and figures as I have them; I have seen Mr. Montserrat's report and I can speak with absolute accuracy as to his estimate of the cost of the bridge. Probably $3,000,000 will be more than enough to cover the cost of all these bridges.

Mr. CARVELL: I appreciate the little lecture which my hon. friend the Minister of Marine and Fisheries has given me, but I do not know that it was entirely unexpected, because this is a rather sore point with my hon. friend. I do not wonder that he objects to having these skeletons dragged out into the open, but the skeletons are there just the same. It is all very well for my hon. friend to say that the committee of the legislature, because it was practically all on one side, did not think it fair to investigate the thing. Let me tell my hon. friend that the gentleman who took the responsibility of making these charges wanted to have them investigated by that very same unfair tribunal. It is rather a remarkable thing that when the man who made the charges wanted them investigated by that tribunal, that tribunal was not willing to grant the investigation. It is another remarkable thing that six weeks after the charges were made no other tribunal has been appointed for purposes of investigation. I do not intend to quarrel with my hon. friend about this matter here; we may quarrel about it elsewhere, but I do want to tell him that he cannot find another instance where a man having laid certain charges against members of a provincial Government, after a lapse of six weeks there are still no signs of the charges being investigated.

Mr. FOWLER: I thought that there was some prospect of the dawn of a millenium so far as the hon. member for Carleton is concerned because of his having approved anything done by this Government, but that prospect is as far away as ever. The hon. member could not possibly voice his approval without putting in what might be called a joker; without dragging in some extraneous matter that has absolutely nothing to do with what is before the House, but which is introduced simply to display to the committee the fact that the hon. gentleman still retains all that virulence of feeling and violence of language that is so characteristic of him. My hon. friend seems to experience some suspicion because the legislature of the province of New Brunswick saw fit, instead of appointing a committee of the House to investigate the charges that have been made against the provincial Government by a member of the legislature, to appoint a Royal Commission. They appointed upon that Royal Commission men, one of whom at least was not of their own political faith. My hon. friend cannot understand, it seems, that men in political life may be actuated by a spirit of absolute fairness to an opponent and so he attempts to cast some suspicion upon that commission, because there are upon it two judges of the Supreme Court of the province of New Brunswick, one a retired chief justice, Sir Frederick Barker, a man who stands high in the estimation not only of the people of the province which has been honoured by his services but by the whole of Canada; a man who is known from the Atlantic to the Pacific.

Mr. LEMIEUX: I understand that he has refused to act.

Mr. FOWLER: I am speaking now of the men who were appointed, as showing the desire for absolute fairness on the part of the legislature of New Brunswick, so that there should be no abuse cast upon them by reason of the fact that practically all the members of the legislature of the province are of one political stripe. But my hon. friend would not be very glad if a committee of the House had been appointed, all of whom would not be Conservatives, and if their findings were adverse to the side which he represents. My hon. friend in this House and everywhere else would say that it was a packed committee. He knows—and hence his bitterness—that that excuse is taken from him because of the fact that the gentlemen who have been appointed on that commission are men of high standing, men absolutely removed from politics, men whose findings will be received by this country as based upon absolute facts and fully justified. Is that what is the matter with my hon.

friend, and is that why he could not even allow this harmless Bill, which he admits is in the best interests of the country, to pass without sneering at the Legislature and the Government of New Brunswick?

Mr. CARVELL: Fortunately, the somewhat violent exhibition of temper on the part of the hon. member for Kings (Mr. Fowler) will not defeat this legislation. I am very glad indeed for that. I have been dressed down by the hon. member three or four times during this session, and I am still living. I am not sure that this thing can go on forever without something being said in return. I wish to tell my hon. friend that I do not often have suspicions that I do not voice, and my friend knows too much about what has taken place in New Brunswick in the last six or eight weeks to talk very much in this House. There is no necessity for him and me quarreling over what has taken place down there in the past, we will have something to say about that in the future. I agree with him in one thing, and that is the complete suitability of Sir Frederick Barker to act as commissioner. I am somewhat surprised that he should have been appointed one evening at eight o'clock and that he should have declined the next day to act. It may be that there was a good excuse. It may be that the Government believed that Sir Frederick Barker would act, and had he been able to act no one would have been better pleased than I. It may surprise the hon. member for Kings, when he talks about my not having the ability to appreciate a fair man, that I was the first person to name Sir Frederick Barker to the Government. I stated before it was decided to appoint a Royal Commission, that if a commission were appointed I would be willing to accept Sir Frederick Barker as sole commissioner. There is no gentleman in Canada for whom I have a higher regard than for Sir Frederick Barker, and there is not a man in New Brunswick, Liberal or Conservative, who does not feel great regret that that gentleman has not been able to act upon the commission. I know there was not a newspaper in New Brunswick that did not approve in the heartiest manner of the personnel of the commission. The fault I find with the Government of New Brunswick is the delay in filling up the breach. Surely they should be able to get some man in New Brunswick to take Sir Frederick Barker's place, because it is now nine or ten days since he was appointed. I think that is too long to wait in the case of an important matter like this.

Mr. FOWLER: I do not think my hon. friend is entitled to claim credit for suggesting the appointment of Sir Frederick Barker, as, when the appointment of a royal commission was first suggested, practically everybody suggested Sir Frederick Barker for that position. My hon. friend must share the credit with a great many people in New Brunswick. If Sir Frederick Barker does not act, it is simply because the condition of his health prevents him. The position may be filled by a judge who also holds the full respect of the people of New Brunswick. I do not know of any judge on the Bench who does not hold that respect, but I am sure that the gentleman who will take the place of Sir Frederick Barker, who is unable to act, will be just as well deserving of respect as Judge Barker himself.

Mr. CARVELL: That might be quite a contract. However, that is all that we want.

Mr. FOWLER: That is quite a contract, but I think there are also other judges who hold the respect of the people of New Brunswick, and that this commission will be one with which no one can find fault. As far as any disclosures that are to be made, of which my hon. friend speaks, I am always glad to have these things come out if there are any things to come out. There is nothing that can affect myself in regard to the matter and I expect to meet my hon. friend at the investigation, where we will be able to thresh out a whole lot of things.

Mr. SINCLAIR: Will the minister say if he has consulted the general manager of the Intercolonial in regard to the structures to be built under this Bill?

Mr. REID: No, I have not.

Mr. SINCLAIR: I wished to know that as we have had the doctrine laid down by Mr. Gutelius that we ought to have wooden trestles on roads of this construction, that it is a mistaken policy to erect steel bridges on a road such as we are building in New Brunswick. I am surprised that my hon. friend did not draw that matter to the attention of the general manager and have his advice, as this road was to be erected by the Intercolonial. I have no doubt he would be very much opposed to the expense of erecting steel bridges on a road of this character, in New Brunswick or anywhere

else. The minister should explain why he has adopted steel in place of wood in this case.

Mr. REID: I am acting on the report of the engineer who was sent down to look into the matter, Mr. Montserrat.

Mr. OLIVER: Is it the intention, in the construction of these bridges, to have provision on them for highway traffic? If so, will the Dominion Government supply that, or will it be provided by the provincial government? I am not particularly interested in these bridges, but in the West we find that there has been a great waste of public resources in building railroad bridges across large rivers when a small additional expenditure would have provided traffic facilities and furnished a tremendous advantage to the people of the locality. I quite appreciate that it is not the business of the railway company or of the Dominion Government to do that, but there would be such a tremendous advantage and economy in using the main structure of the railroad bridge for the carrying of the roadway that I would think it would be sound policy, wherever such a bridge is being constructed within the knowledge or on the responsibility or in any way under the aid of the Dominion Government, that the government of the province in which the bridge is situated should be approached with the offer that they would have the privilege of making arrangements for the adding of traffic facilities on fair terms.

I do not urge that the Dominion Government is responsible for this matter, but it has a general interest in everything that concerns the welfare of the people of this country, and I would suggest as a matter of policy in the public interest that when such cases arise, particularly in the West, the provincial authorities be given an opportunity of making some such arrangement.

Mr. REID: Of course an agreement will be made between the province of New Brunswick, this Government, and the railway company in connection with the building of these bridges. I think the point taken by my hon. friend is a good one. I understand him to mean that provision should be made for traffic teams alongside the railway. I would be glad to direct the attention of the Minister of Railways and Canals to my hon. friend's suggestion, and if it is at all feasible in this particular instance I have no doubt the minister will carry it out.

Mr. OLIVER: I am not particularly interested in this case. I just wish to bring the idea to the public mind with a view to instances that might arise later on in the western provinces.

Resolution reported and concurred in.

Mr. REID thereupon moved for leave to introduce Bill (No. 201) to amend the St. John and Quebec Railway Company Act.

Motion agreed to, and Bill read the first time.

JUDGES ACT AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice), Bill no. 190, to amend the Judges Act was read the second time and the House went into committee thereon, Mr. Blondin in the Chair.

Mr. DOHERTY: It has been suggested to me that a difficulty has arisen in the Maritime Provinces under the provisions of the present Judges Act. What is complained of is that certain judges who do not reside in the county town—and they are not bound by law to reside in the county town—are, under the present Act, precluded from receiving the travelling allowance for holding court in a county town, and also precluded from receiving the travelling allowance when they hold court in the town in which they reside. It has been represented that there are two or three cases where the judge resides in a town other than the county town, but in which the business to be dealt with is as large as, or possibly larger than, the business to be dealt with in the county town. Those being the facts, the result is that that judge has to go to the county town to do his work and gets no travelling allowance; while he is also exempting the country from paying him any travelling allowance when he does the work in the town in which he has chosen to reside. I quite realize that under those circumstances the country is getting an unfair advantage because of the fact that the judge does not reside in the county town. Of course, if he were bound by law to reside in the county town, there would be nothing more to be said, but he is not. I think that is a situation that in fairness to the judge ought to be met, and to meet it I am proposing, and I move now, to amend the present Bill by adding as section 5, the following:

5. Subsection (c) of section 18 of the principal Act is repealed, and the following substituted therefor:

(c) No judge of a county court shall receive any travelling allowance for courts or chambers held at the county town of the county or union of counties wherein he resides—provided,

however, that this subsection shall not apply to any such judge residing at a town (other than the county town) at which the volume of court or chamber work done is established to the satisfacttion of the Minister of Justice to be as great or greater than that done at the county town.

Mr. KYTE: Inasmuch as I happen to be the person who brought this matter to the attention of the Minister of Justice, I thank him for the consideration that he has given to it. While his amendment to some extent meets the objection that I raised against the existing provisions, I think it throws on the Minister of Justice a certain amount of responsibility, and perhaps attention, that he ought to be relieved of. I think that if his amendment were to the effect that where the town in which the judge resides is larger in point of population than the county town, it would fairly meet the objection that has been raised. Where the population is larger the presumption is, of course, there is more legal business to be done, and I would suggest that he accept the change in the amendment that I have proposed.

Mr. PROULX: I think it would be preferable to specify the particular cases instead of making the application general, because it might open the door to judges living elsewhere than in the county towns. Conditions in the Maritime provinces are a little different from those of Ontario. I understand that a judge in the Maritime provinces has to look after two or three counties, whereas in Ontario there is only one county town for each district. I think that if the law is made general it will militate against the county town.

Mr. DOHERTY: Under the provision I have suggested the judge would have no pecuniary object in living in any other town than the county town, because this amendment would only apply to him if he selected a town where there was at least as much judicial work to do as in the county town itself. He would be giving at least as much of his time without any travelling allowance charged to the country as he would be if he lived in the county town. He would not in any way benefit if he lived elsewhere than in the county town. Whether there are other temptations to take judges away from county towns I do not know. Of course, this would not affect any judge in any province where his residence is fixed by law. He will have to live where the law tells him to live. But I understand that in the Maritime provinces the present law does not determine where the judge must reside, and I understand there are actually existing cases where a judge lives in some other place than the county town where the business is greater than it is in the county town. I am told that the judge of the county in which Campbellton is situated resides in Campbellton, that some other place is the county town, and that the business done at Campbellton is as large, or larger, than that in the county town. If these facts are correct, then the judge is being unfairly treated. I think the same thing happens in regard to Dorchester, and also in New Glasgow and Pictou. My hon. friend from Kings tells me that the same thing happens in his county. We ought to make provision to meet every case wherever it arises. I cannot, nor can the members of the House, verify the cases in which it happens. The suggested amendment will entitle a judge to his allowance at the county town wherever he satisfies the department that there is no loss to the country by reason of his residing elsewhere than at the county town because there is as much work at the town he resides in as at the county town. I think that in the province of Ontario the residence of judges is fixed by statute, so that this legislation would not affect the judges of that province in any case.

Mr. PROULX: The residence of the judge is fixed by the Ontario statute in the county for which he is appointed, and under the Judges' Act he is not entitled to any travelling allowance if he takes up another place of residence than the county town.

Mr. DOHERTY: That is the way it stands at present. A judge is not allowed anything at all if he does not live at the county town. If he chooses to go and live elsewhere he forfeits any allowance for work done in the other place that he has gone to. When he chooses to live elsewhere no doubt the country escapes paying him an allowance if he works in either one of the two places. If he chooses to live in the county town, he has his allowance if he goes elsewhere. If he chooses not to live in the county town, he forfeits his allowance in the place where he resides and also in the county town. That is the penalty of his not living in the county town. Where the fact is that at his place of residence he is called upon to devote just as much of his time to judicial work as he would be in the county town, the

country suffers in no way if he is paid his allowance when he is at the county town. The country is put in the same position as if he had lived in the county town. I understand that in the particular cases that are referred to, the places where the judges do actually live, are now, whatever they may have been in the past, more important centres than the county towns actually are.

Mr. PROULX: I do not dispute that but I am afraid that if you make the law general it will induce judges in other counties to reside elsewhere than in the county town and we do not want to encourage them to do that. I think that we should encourage them to live in the county town where most of the business is done. When judges sit in chambers they leave the papers to be filed with the clerk of the court. It is much more convenient to do legal business in the county town than in other places.

Mr. MACDONALD: I think the proposition submitted by my hon. friend from Richmond (Mr. Kyte) solves the difficulty that the minister wants to overcome. In a great many cases it would be almost impossible to ascertain the amount of work that is done in one town as compared with another. But speaking for the situation in the Maritime provinces, and particularly for my own county, I think the criterion of population is one which ought to satisfy the department and one which is eminently fair.

Mr. DOHERTY: The population could not be regarded as a very good indication of the time that a judge has to spend in holding court. If we allowed the judge to go away from the county town to a place where there might be very little judicial business, when there was a great deal to do in the county town, it might result in the country having to pay a great deal more for allowance than if he lived in the county town. I am willing to meet the judges if I can meet them without imposing on the country a larger burden than the country would have to bear if they did live in the county town. Population would be a very unreliable basis to go upon because a great deal of business will have to be done at the county town, because it is the county town, without regard to population. For instance, the criminal business will have to be done there and it is a large item. I feel that in making this suggestion I have gone as far as I can to meet the wish and desire of the judges.

[Mr. Doherty.]

Mr. MACDONALD: In my own county the judge lives ten miles away but communication between the two points is very easy. You go to where the judge resides and get an ex parte order, or you have an unopposed motion to make in chambers, the judge initials the order and then you take the order back to the county town and the clerk signs it there. It would be impossible to get any data as to where the greatest amount of business is done; in fact, it is just where the judges happen to sit and where they happen to be when they make the order. The judge may hear a motion in the town in which he resides, he may send his judgment to the county town, the order would be taken out and consented to, perhaps, and would be dated from the county town, and the seal would be affixed there. Naturally, a difficulty would arise under these circumstances. But I do not see where the difficulty could exist if you made population the criterion because more population naturally produces more business. I remember that some time ago an attempt was made in our province to get some data to indicate the relative amount of business in the town for the purpose of making some representations to the Justice Department and the Bar had the greatest possible difficulty in getting that data together. I repeat, I do not see where the difficulty could arise if my hon. friend would make the population the criterion because, prima facie, the more population the more litigation.

Mr. DOHERTY: Unfortunately for that theory, one of the learned judges who is interested in this legislation, makes his case on the strength of the fact that, not living in the county town, he had to go there a large number of times and get nothing for it. I think it is the very judge that my hon. friend refers to. His letter says that there is more criminal work in his county than in the town he actually lives in. He is able to ascertain that. I think we ought to give a certain amount of credence at least to what a judge represents to us. We pay these bills now on the judge's own certification, or practically we do so, because we have no reason to suspect the information which a judge gives us. I think I have gone as far as I would be justified in going.

Mr. McKENZIE: Is it the understanding of the minister that a county court judge residing in a county town is entitled to his travelling expenses if he has to go

to another town in the same county to hold a court?

Mr. DOHERTY: Yes, under this amendment.

Mr. McKENZIE: Does the minister say he would not be so entitled now?

Mr. DOHERTY: Under the section as it stands the judge gets no allowance for work done in his county town, and no allowance for work done in the town in which he resides.

Mr. McKENZIE: My question was: If the judge is residing in the county town now and there is another large town in the county where he holds court, is he entitled to his travelling expenses, under the law as it now stands, if he has to go to that town and hold a court?

Mr. DOHERTY: Yes.

Mr. McKENZIE: When the legislature of any province imposes a duty upon a county court judge of an important character and creates a county court judge's court, a particular tribunal, to deal with that matter, and when the judge goes there holding his court under that statute, I should think there should be no question in the world about his being paid his travelling expenses as a judge of the county court. I have a case in mind where the judge of a county court had to go outside of his county to hold a court, under a statute of our province in connection with a municipal election petition, and I am sorry to say he was not paid, although he sent in his bill. I cannot appreciate where the line is to be drawn. I think he should be paid for work of that kind.

Mr. DOHERTY: The legislature of that province attributed that work to the judges and attributed pay to them for doing it, so that the legislature dealt with it as something quite outside of the functions of the county court. It provided that these gentlemen should do that work and provided pay for them for doing it. I should think that one would have to draw the line between duties attributed to a county court judge which are properly of a judicial nature and duties which may be of a kind that might well have been assigned to any other intelligent person. What the hon. gentleman is discussing is something that does not bear upon any amendment to the law; it is a matter that would have to be determined in accordance with what would be determined to be a judicial duty. Does the hon. member suggest that if the legislature chooses to say that a county court judge shall do work that has no connection with any judicial proceeding, we should pay his travelling expenses for doing it?

Mr. McKENZIE: I do not think the minister will contend that the trial of election contested cases is a matter that could be assigned to any one but a judge or someone learned in the law. In the revision of the Nova Scotia statutes a few years ago, the parties who had charge of that revision made the trial of election petitions, in connection with municipal elections, Dominion elections, and provincial elections, precisely the same, so that the man who sits on the Bench to try a question as to a municipal election is adjudicating on exactly the same law as if he were trying a petition against a member of this House. Surely the minister would not think that work of that kind could be entrusted to a layman?

Mr. DOHERTY: Does not the province pay for it?

Mr. McKENZIE: I would like the Prime Minister to pay attention to this because it is a matter affecting his province of Nova Scotia. Before the Judges' Act of 1905 there was a provision in our law that the county court judge should get a standing allowance of two hundred dollars a year for the outside work he did, and for many years there was a petty allowance of two and a half dollars a day for a judge in Nova Scotia when he went to try these election cases. Under the Judges' Act of 1905 the two hundred dollars' allowance was wiped out and a new provision took its place. It so happened that the province of Nova Scotia did not repeal its two and a half dollar a day business when the new Judges' Act came in, and up to the instance I have in mind I think the judges were always allowed travelling expenses when they went outside their own county. I do not know of a single instance, except this one, where the line was drawn. I submit that when a county court judge has to do important work of this kind he should be allowed his travelling expenses. I shall take care to ask the Legislature of Nova Scotia to repeal this tuppeny-hapenny allowance of two and a half dollars a day, if that is all that stands in the way of judges getting their travelling expenses under certain circumstances.

Mr. PROULX: This amendment changes the law in another respect. It says: that

no judge of a county court shall receive travelling expenses for courts or chambers held in the county court or of the union of counties in which he resides, whereas the present law says: where he is obliged by law to reside. The senior judge of my district resides in Ottawa. He would not be entitled to an allowance for sitting in chambers at Ottawa, but under this amendment he would be allowed for sitting in chambers in the county town of Prescott and Russell.

Mr. DOHERTY: If by law his residence is fixed in Ottawa then that is the place where by law he is bound to reside, and therefore he gets no allowance in Ottawa. The intention of the law was that there should be one place where a judge would not be entitled to an allowance, namely, the place where the law says he must live in, or, if he lives at some different place then the place in which he actually lives. Where the law prescribes no place of residence the assumption is that he should live at the county town and therefore he gets nothing for services at the county town and nothing at the town he does reside in if he wishes to reside away from the county town. Where the law fixes the place where he does reside, then the section applies to that place and to no other place.

Mr. PROULX: His residence is in Ottawa, but it is not recognized by law.

Mr. DOHERTY: If it is not, then he has no right to live here.

Mr. PROULX: He has been charging travelling expenses for sitting in Three Rivers and Ottawa. He asked for permission by Order in Council of the Lieutenant Governor to sit in Chambers in Ottawa, and he has been charging travelling allowances for sitting in Ottawa, though he resides here, pretending that he was residing in the county town of Prescott and Russell.

Mr. DOHERTY: I will look into the facts. If they are as stated, the judge is wrong.

Mr. PROULX: He claims he is right, and I claim he is practising a fraud on the Government.

Bill, as amended, reported.

Mr. SPEAKER: Before dealing with this amendment, I desire to say that it appears to me, in the short time I have had to give attention to it, that it is scarcely regular. It would increase the expenditure of money beyond that contemplated both in the resolution and in the original Bill. Bourinot says:

> It is not allowable at this stage, more than at any other, to increase or alter the destination of a grant of money recommended by the Governor General.

I would suggest, therefore, as the Bill is not likely to be read just now, that the amendment be allowed to stand.

Mr. DOHERTY: I must say, Mr. Speaker, that I concur in your view, that the amendment is not covered by the resolution; and, more particularly as it does not seem to have met with the approval of the hon. gentleman at whose suggestion it was made, I do not wish to press it now.

Report of committee stands for consideration.

QUEBEC BATTLEFIELDS COMMISSION.

On motion of Hon. W. T. White (Minister of Finance) Bill No. 193, to amend the Act respecting the National Battlefields at Quebec was read the second time and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 2—seven commissioners appointable by Order in Council:

Sir WILFRID LAURIER: What is the object of this change? I understood the hon. minister to say on introducing the Bill that it was the intention to increase the number of commissioners from five to seven, but he gave no reason for it.

Mr. WHITE: The Government has thought it desirable that the commission should be enlarged to seven. In the first place, there are, I think, three residing outside the city of Quebec. In addition to that the commission has no member or members who have been appointed by this Government. I have discussed the matter with the chairman, Sir George Garneau, and he agreed that so far as he was concerned, there should be an increase. We have not interfered with the commission, which, I think, is proper. The commission consists of men of high standing, including Sir Edmund Walker, Hon. Mr. Taschereau, Hon. Mr. Turgeon, and Mr. Bickerdike. Nevertheless it has appeared to the Government desirable that there should be an increase.

6 p.m.

Sir WILFRID LAURIER: The reason given by my hon. friend is not much of a reason—simply that the Government desires

to increase the number. He says he has conferred with the chairman on the subject. Has there been any official communication, or has there been only verbal communication, between my hon. friend and the chairman?

Mr. WHITE: There has been no official communication from the commission desiring an increase in the number. But I have discussed the matter with the chairman, and so far as he is concerned, he is agreeable that the number should be increased. And, for the reasons I have given, we are of opinion that the number should be increased.

Sir WILFRID LAURIER: I am sorry, but I cannot share that opinion. I cannot see any good reason, even after hearing my hon. friend, why the commission should not be composed as it is composed at present. He admits that the commission is one of high standing, and I do not think he can improve the commission in that respect. Of course, we shall have to submit, but I do not think this is an improvement.

Mr. LEMIEUX: There is this also to be said: the personnel of the commission was made by the late Administration irrespective of politics. Sir Byron Walker is a member of the commission, and I understand Colonel Dennison is on it. And is not Colonel Hendry on this commission also?

Mr. WHITE: He is officially by law.

Mr. LEMIEUX: That shows, as I have said, that the personnel was made irrespective of politics. But this Bill shows that politics is gaining ground in that commission. I see by the papers of Quebec constantly that the commissioners are approached in the awarding of contracts and expropriation proceedings. But every one who knows the personnel of the commission knows that in such a body there is no patronage question. Of course, there are people who think that if they were appointed members of the commission, it would mean for them the millenium. It is a great pity indeed that the personnel of the commission has to be changed. There is no necessity for it, and the change is only a mark of want of confidence on the part of the Government in the present incumbents.

Section agreed to on division.

On section 3—purchase of lands:

Sir WILFRID LAURIER: What is the meaning of this?

Mr. WHITE: At present the commission is authorized to purchase land after obtaining the authority of Parliament and after it has funds at its disposal. But it must obtain the consent of the Governor in Council. It has been found in the practical working out of the plans, that there have been delays which have resulted in loss of favourable opportunities to buy. As I have said, the commission is one of high standing in which the Government has full confidence, and we have thought it advisable, at their express request, to change the Act so as to permit them to buy land without obtaining the approval in each particular case of the Governor in Council.

There are two provisos which safeguard the matter: first, they must be authorized by Parliament before purchasing these particular lands, and second, there must have been appropriated and be available for the purpose, the necessary funds. That is to say, Parliament must give authority to purchase the land and Parliament must have provided the money which must stand at the credit of their capital account for that purpose.

Sir WILFRID LAURIER: I understood my hon. friend to say that the previous consent of the Governor in Council has been the cause of delay, and that the amendment is to allow the commissioners to make purchases without the previous consent of the Governor in Council.

Mr. BORDEN: I think there is some error in this section in its reference to sections 10 and 11. I will read section 10 of the original Act for the information of the right hon. gentleman:

> No land or removable property shall be purchased or acquired by the commission except with previous authority of Parliament, and no expenditure shall be made by the commission until it has been approved by Parliament.

Mr. WHITE: That has, I think, been changed in subsequent legislation.

Sir WILFRID LAURIER: The minister says that the law to-day is that no purchase can be made by the commission unless it is authorized by Order in Council. This has caused delay and the delays have caused losses, and, in order to obviate these delays and losses, it is proposed now that the commission shall be authorized to make purchases without the consent of the Governor in Council.

Mr. WHITE: Provided that the lands purchased are lands whose purchase has been authorized by Parliament and provided, consequently, that money has been appropriated by Parliament and is at the disposal of the commission for the purpose.

Sir WILFRID LAURIER: At all events, you take away one of the restrictions placed by Parliament upon the commissioners and I do not think that that is an improvement.

Mr. BORDEN: The section as it is at the present has a reference to sections 10 and 11 of the Acts, which are repealed. Section 10 of the Act consists of a section and a subsection. It seems to me that section 10 alone ought to be repealed, because section 11 is repealed by the terms of this section which says that previous to the commission from time to time making expenditures under this Act they must submit detailed estimates to the Finance Minister. I think that the form of this amendment will require to be looked into.

Mr. WHITE: The Bill was drafted by the assistant deputy minister and Mr. Gisborne, the parliamentary counsel, so that every care has been taken. Speaking only from recollection, I think that there is an amending statute to the section that has been read by the right hon. Prime Minister. With regard to this particular section, which gives the commission permission to purchase without the consent of the Governor in Council, I may say that it was introduced upon the express and repeated requests of the commission. However, I am quite content to let the matter stand, because it is important.

Section stands.

Progress reported.

On motion of Mr. Borden, the House adjourned at six o'clock.

Monday, May 18, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. AIKINS: Mr. Speaker, I desire to direct attention to a remark concerning myself that was made by the hon. member for Thunder Bay and Rainy River (Mr. Carrick), on Friday last, during the discussion of the Canadian Northern resolution. The hon. member said that I, 'after taking a good look at the Government forces, decided that discretion was the better part of valour; whereupon he purchased a ticket to parts unknown, having said:

> He who fights and runs away,
> May live to fight another day.

This statement is absolutely untrue, and equally silly, nevertheless calculated to do mischief, for this House is a deliberative assembly, and every member who speaks on the floor of the House is supposed, and properly supposed, by the people to speak forth the words of truth and soberness. The statement made by the hon. member for Thunder Bay was devoid of both.

THE LABOUR SITUATION.

Mr. OLIVER: I wish to inquire if the Government have received a communication from the civic relief officer at Edmonton, and if any conclusion has been reached upon the matter referred to.

Right Hon. R. L. BORDEN (Prime Minister): The telegram which was received from Edmonton was as follows:

> Edmonton, Alberta, May 14, 1914.
>
> Premier Borden,
> Ottawa, Ont.
>
> The Welfare League consisting of merchants and profession men of Edmonton petitioned the city council as follows: Therefore this association respectfully urges upon the council of the city of Edmonton to take up the matter with the Dominion Government with a view to securing legislation. 1. Providing for the establishment of free employment bureaus throughout the Dominion for the purpose of supplying reliable information regarding the demands for labour in any particular locality and to give every man a free and equal opportunity to secure employment and to safeguard those already employed; and, (2) To restrict immigration by holding back from entrance into the country or by discouraging in the country from which they come all who belong to the unskilled labouring class except bona fide agricultural labourers, and, (3) To provide work for the unemployed by utilizing the surplus labour now in the country for the construction of public works. The City Council of Edmonton therefore urge you to use your influence to have the Government by grants of money or by furnishing work assist the western cities to care for the unemployed.
>
> Thos. R. Turnbull,
> Civic Relief Officer.

The first suggestion in the telegram, that free employment bureaus should be established for the purpose of supplying reliable information regarding demands for labour in any particular locality, would, of course, require more consideration than the Government have been able to give to it in

the interim. So far as the question of immigration is concerned, I understand that, not only under this Administration but under the former Administration, the ideal which is set forth in the second clause of the memorial has been followed; there has been no change made in that regard under the present Administration. The third suggestion is that work for the unemployed should be provided, as far as possible, by utilizing surplus labour for the construction of public works. We shall, of course, give that the very best consideration that can be given to it, and such attention as may be possible in the public interest. The reply which I have sent to Mr. Turnbull is as follows:

Ottawa, Ont., May 18, 1914.

Thos. R. Turnbull,
Civic Relief Officer,
Edmonton, Alberta.

Telegram received. Your suggestions will received immediate careful consideration of Government. Meantime representations of City Council as to providing work for unemployed have been placed before such departments of Government as employ labour to considerable extent and have been commended to consideration and attention of the ministers of those departments.

R. L. Borden.

Immediately on receipt of the telegram on Saturday, I addressed letters to the Minister of Public Works, the Minister of Railways and Canals, and two other ministers—I think the Minister of Marine and Fisheries was one—commending to their attention the suggestions contained in Mr. Turnbull's telegram.

Mr. OLIVER: I think it would be well for a special official of the Government to make an investigation into the conditions referred to in the telegram.

Mr. BORDEN: I think a suggestion of that kind also came to us in another telegram on Friday. It was at once transmitted to the Minister of Labour, to whose attention it was commended.

ALLEGED INCOMPLETE RETURN.

On the Orders of the Day being called:

Mr. W. CHISHOLM: I desire to call the attention of the House to a case of contempt of the high court of Parliament by the Minister of Customs. On the 16th of March last, an order was passed:

For a copy of all recommendations, protests, petitions, and representations received by the Government or any department or minister thereof, regarding the appointment of the present collector of customs at Antigonish, and of all the letters, telegrams and correspondence relating thereto.

The return brought down by the Minister of Customs contains only one letter from the Commissioner of Customs, and the minister justifies the non-production of the papers by stating that he regards them as private, and that he is the judge of what is private. The recommendation of the collector of customs cannot be considered a private document, nor can the protest that was made against that appointment; and I submit that it would not detract from the dignity of the position which the hon. minister occupies, and would only be treating the House with proper respect, if he would comply with the order of the House. I think it would also facilitate the business of the House very much. I do not think any minister has the right to say that he is to be the sole judge of documents which have been received in regard to public appointments, protests, etc., and to defy this House by refusing to comply with one of its orders.

Mr. SPEAKER: The hon. member is certainly out of order in discussing this at the present time.

Mr. CHISHOLM: I will bring this matter to the attention of the minister and the House on another occasion, unless the order is complied with in the meantime.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

On the Orders of the Day being called:

Mr. CARVELL: Would the Minister of Railways inform me whether any new arrangement has been made with the Grand Trunk Pacific for taking over the Transcontinental or any portions of the line that have been completed?

Mr. J. D. REID: No.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 195, to incorporate the Canadian General Council of the Boy Scouts Association.—Mr. Currie.

Bill No. 197, for the relief of Robert Markle Richardson.—Mr. Stewart.

Bill No. 198, for the relief of George Andrew Crooks.—Mr. Schaffner.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

SHERBROOKE LEASED PROPERTY.

Mr. McCREA:

1. What arrangements have been made by the Militia Department, who have leased Mrs. Worthington's house as quarters for the accommodation of the officers of the 53rd, with the St. George's Club who were occupying the property?

2. Is the St. George's Club still occupying the building? If so, under what conditions or terms?

Mr. S. HUGHES: The officers of the 55rd Regiment have not yet been provided with quarters in their armoury, and, upon the recommendation of the officer commanding the 4th Division, the house referred to was temporarily rented. The members of the St. George's Club, who had quarters therein, were allowed the use of the building pending the completion of their new club house, now under construction, and for this privilege, the officers of the 53rd were to have, meanwhile, the use of certain rooms in the building absolutely to themselves. also the use of the club furniture, reading room, etc., until the club moves out in the course of some weeks.

DEPOSITORS OF DEFUNCT BANKS.

Mr. LANCTOT:

1. Is it the intention of the Government to refund, in future, all the losses arising out of the failure of all the great commercial corporations in which the public have lost money?

2. What amount of money was lost by the depositors of La Banque de Saint Jean, and what was the number of depositors?

3. What amount was lost by the depositors of La Banque Ville Marie, and what was the number of depositors?

Mr. W. T. WHITE:

1. It is not.

2. The obligation of the Banque de St. Jean at the time of its failure to ordinary depositors was $301,000. The liquidator now reports that between twenty and thirty per cent will be payable to them when the liquidation is completed. The number of depositors, the liquidator states, is approximately three thousand.

3. The Banque Ville Marie had deposits of $1,504,665 at the time of its suspension in 1899. The ordinary depositors were paid 17½ per cent of their claims. On this basis the loss to depositors was $1,241,349. There is no available information as to the number of depositors.

Mr. LANCTOT:

1. Is it the intention of the Government to indemnify the depositors of the Farmers' Bank?

2. Is it the intention of the Government to indemnify the depositors of the Banque de St. Jean and La Banque Ville Marie? If not, why not?

[Mr. Schaffner.]

3. Is the Government aware as to whether or not the directors of the latter two banks for several years submitted false reports to the Minister of Finance as to the financial conditions of these banks?

4. If so, was the failure of said banks caused, in whole or in part, on that account?

5. Is it the intention of the Government to propose an amendment to the banking laws to the end that the Association of Banks and the Government shall be equally and mutually responsible for losses caused in future by similar failures?

Mr. W. T. WHITE:

1. Yes.

2. No. There are no grounds which would justify such action on the part of the Government.

3. No.

4. Answered by answer to No. 3.

5. No.

*Mr. BARRETTE:

Besides La Banque Ville Marie, La Banque du Peuple and La Banque St. Jean, are there any other Canadian banks that have failed without the depositors thereof being refunded their losses? If so, what are the names of those banks?

Mr. W. T. WHITE: Yes. Bank of Acadia, Mechanics' Bank of Montreal, Bank of Liverpool, Bank of Prince Edward Island, Exchange Bank of Canada, Maritime Bank of Dominion of Canada, and Central Bank of Canada.

FENIAN RAID BOUNTY.

Mr. SINCLAIR:

Referring to the statement made by the Minister of Militia and Defence, as found on page 3644 of Hansard, to the effect that approximately 300 claims for the bounty to Fenian Veterans in Nova Scotia have been disallowed, have these applicants whose claims have been disallowed been notified of the fact?

Mr. S. HUGHES: Yes, and in most cases amended applications have been received, which will be considered at a later date.

L'ASSURANCE DE RIMOUSKI.

*Mr. GAUVREAU:

1. When was the first deposit made by the l'Assurance de Rimouski with the Government treasury and what did it consist of?

2. If that deposit was made in currency, is it still in the treasury, or have any other securities been substituted therefor?

3. If so, what was the nature of such securities, what is the value thereof and are they still in the possession of the Government?

4. Has anybody tried to have these securities abandoned? If so, who did, and by whose authority?

5. Is the Government aware that during the year 1913-1914, the La Compagnie l'Assurance de Rimouski has, as alleged, been paid over $300,000 in premiums, and that at the time of the winding up of said company a sum of

about $100,000 was due, arising from unsettled losses?

6. When was the last inspection of the books of said company by Government officials made?

7. How long after that inspection did this company continue to issue policies and collect premimums?

8. Is the Government aware that this company is said to be insolvent, and is it the intention of the Government to cancel its license?

9. When and at whose request was the license of said company maintained?

10. Is it the intention of the Government to protect the insured and the shareholders?

Mr. W. T. WHITE:

1. July 19, 1907: $55,000 debentures of the town of St. Germain de Rimouski.

2. Deposit was not made in currency.

3. The $55,000 St. Germain de Rimouski debentures were accepted at $51,680. They are still on deposit with the Receiver General.

4. No.

5. No.

6. February 7, 1914.

7. License was withdrawn March 14, 1914.

8. The Government is aware of the insolvency of the company. License has been cancelled.

9. License was continued until March 14 to give the company an opportunity to be heard in accordance with the provisions of section 41 of the Insurance Act and to permit the company, if possible, either to secure reinsurance or to obtain additional capital, for both of which reasonable hopes were at the time entertained and negotiations in progress.

10. The assets of the company will be distributed by the liquidator by order of the court under the Winding-up Act.

Mr. BELAND: May I ask the hon. Minister of Finance whether the inspection he refers to in February was the regular yearly inspection or a special inspection of the books of the company?

Mr. WHITE: I understand that it was the yearly inspection; but if, upon further inquiry, I find that it was a special inspection, I shall take the opportunity of informing my hon. friend.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Knowles.—For a copy of all letters, reports, memoranda, recommendations, telegrams, and other papers in connection with the north-east quarter of section 22, township 11, range 5, west 3rd meridian, subsequent to the 9th February, 1914, and exclusive of a copy of the evidence taken at Gravelbourg on the 8th April, 1914.

M. A. K. Maclean.—For a return showing the details of moneys paid to J. F. Farrington, $248.25, B. H. Smith, $469.50, and H. C. Dash, $182.40, as set forth in 'Hansard' of this session, page 3071.

Mr. Sinclair.—For a return showing the names and post office addresses of all Fenian Raid veterans in Nova Scotia whose claims have been presented and disallowed.

Mr. Hugh Clark.—For a return showing all cases in which Charles Seager, of Goderich, acted as Government commissioner in the investigation of officials charged with partisanship, or other offences, from and including the year 1896 to the year 1900; and the names of all officials dismissed by reason of the reports of the said Charles Seager, the positions held by such officials, and when such dismissals took place; with a copy of the evidence taken in all such cases, together with the commissioner's reports thereon, and also showing what fees were paid to the said Charles Seager for conducting such investigations.

Mr. J. J. Hughes.—For a copy of all letters, papers, telegrams and other documents in connection with the dismissal of Alex. McRea, late lighthouse keeper at Point Prim, Prince Edward Island, and the appointment of his successor.

Mr. J. J. Hughes.—For a return showing the names of the men who have been appointed to positions in the Prince Edward Island Railway service from the 1st January, 1912, to the 1st May, 1914; the positions held by such appointees and the salary or wages attached to each position.

Mr. A. K. Maclean.—For a copy of all papers, documents, reports and evidence relative to the dismissal or proposed dismissal of W. A. Case of the Government Quarantine service at Halifax, N.S.

Mr. A. W. Chisholm.—For a copy of all correspondence, telegrams, letters, tenders and documents of all kinds in possession of the Post Office Department received since 1913 up to the present date in any way referring to the mail contract from Mabou to Wycocomagh.

Mr. A. W. Chisholm.—For a copy of all correspondence, papers, tenders and other documents in any way referring to the transfer from J. A. Campbell to Alexander Macdonnell of the contract for carrying the mail from Port Hood to Southwest Port Hood.

ADJOURNMENT OVER HOLIDAYS.

Mr. BORDEN moved:

That when this House adjourns on Wednesday next, the 20th instant, it stand adjourned to Friday next, the 22nd instant.

Mr. HENDERSON: May I ask the Prime Minister if it is the intention to adjourn over Monday next, the 25th instant?

Mr. BORDEN: No.

Motion agreed to.

THIRD READINGS OF BILLS.

Bill No. 189, to regulate the manufacture, testing, storage and importation of explosives.—Mr. Coderre.

Bill No. 192, to provide for further advances to the Harbour Commissioners of Quebec.—Mr. Hazen.

RAILWAY LEVEL CROSSINGS.

On motion of Hon. J. D. Reid (Acting Minister of Railways and Canals), the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, That it is expedient to provide that the sum of two hundred thousand dollars per annum be appropriated and paid out of the Consolidated Revenue Fund for five consecutive years from the first day of April, 1914, to aid actual construction work for the protection, safety and convenience of the public in respect of highway crossings at rail level, in existence on the first day of April, 1909.

Sir WILFRID LAURIER: Has the minister any programme as to how this money will be expended ?

Mr. REID: The expenditure is under the control of the Board of Railway Commissioners for Canada.

Sir WILFRID LAURIER: I am aware of that, but has any programme been laid down ?

Mr. REID: No.

Mr. MURPHY: When does the original Act authorizing this expenditure expire ?

Mr. REID: On the 4th of April, 1914, and this Bill extends the time for five years.

Resolution reported and concurred in.

Mr. REID thereupon moved for leave to introduce Bill No. 204, to amend the Railway Act.

Motion agreed to, and Bill read the first time.

THE CANADIAN NORTHERN RAILWAY AGREEMENT.

Consideration of the proposed motion of Mr. Borden that the House go into Committee to consider certain resolutions respecting the Canadian Northern railway and the amendment of Mr. Macdonald thereto, resumed from Friday, May 15.

Mr. WILLIAM GERMAN (Welland): Mr. Speaker, considerable has already been said on these proposed resolutions, and it probably will be difficult to introduce any new matter. However, as I feel somewhat strongly on the question, I believe that I should say something regarding not only the resolution, but as well the amendment of the hon. member for Pictou (Mr. Macdonald). Last session, when the promoters of the Canadian Northern came to Parliament for a grant of $15,000,000, they stated that they believed that amount would be sufficient to enable them to complete the line, and the Government so informed the House. I took the liberty at that time of predicting that $15,000,000 would be but as a drop in the bucket to these gentlemen, and that it would be practically worthless to them as a sufficient amount for the completion of the Canadian Northern railway. And, Sir, notwithstanding the statements of the Prime Minister and the gentlemen supporting him, made this session on the introduction of these resolutions, and notwithstanding what has been said by the promoters of this enterprise to the effect that $45,000,000 will be sufficient to enable them to complete the line, I venture to predict, in my humble judgment, that $45,000,000, or the proceeds of the guarantee, will not be more than half sufficient to put this line on the standard of a transcontinental railway, and it will not be more than two years, or three years at the outside, when these gentlemen will be back to Parliament again asking for further aid, and one of the strong arguments they will then make in favour of their request will be that the Government of Canada is a partner with them in this enterprise to the extent of $40,000,000.

I think there should have been a very much more sweeping investigation by the Government than there has been, as to whether or not this $45,000,000 will be sufficient to complete this Canadian Northern Railway system. The Government have really made no investigation into that matter, as they made no investigation during the last year or two into the statement made by these promoters that $15,000,000 would be sufficient. Last year they accepted the statement of the promoters, and this year they have accepted their statement and have come to Parliament saying that $45,000,000 will be sufficient. I have heard gentlemen, who are railway men and who know the condition of the Canadian Northern lines of railway, say that this amount of money will not be more than half, if half, enough to complete these lines to the standard of a transcontinental railway, and I have no doubt that such is the case. This summer there should be a thorough investigation to discover whether or not this is the last call of these promoters. I submit that as one strong reason why the amendment of the hon. member for Pictou (Mr. Macdonald) should prevail in regard to these resolutions.

The hon. member for South Ontario (Mr. Smith), in his speech on Friday afternoon, stated that the amendment moved by the hon. member for Pictou, indicated that there was a difference of opinion on this side of the House. A similar statement has appeared in the Ottawa Citizen. If hon. gentlemen opposite are taking any consolation to themselves from the supposition that there is a difference of opinion on this side of the House with regard to these resolutions, they had better disabuse their minds of that at once, because there is absolutely no difference of opinion on this side of the House with regard to what should be done with these resolutions. My right hon. friend the leader of the Opposition stated that we were in favour of coming to the aid of this great enterprise and that it should not be allowed to fail; the hon. member for South Renfrew (Mr. Graham) took practically the same position; but there is no difference of opinion on this side of the House that before any aid is given there should be a thorough investigation into the whole undertaking and positive knowledge on the part of the Government that this aid not only is required but, when granted, will be sufficient to complete the line. I believe that that same opinion prevails throughout the country. So far as I have been able to ascertain, in going about the country, there appears to be very little difference of opinion in regard to the matter. I believe that the people, with great unanimity, are of the opinion that the stand taken by the Opposition in regard to these resolutions is the correct one, and that this money should not be voted without a full and searching investigation, and that, if it is voted, the Government should have a greater security than they are taking by these resolutions.

I feel that the people of Canada are getting tired of this continual bleeding of the finances of Canada for the exploitation of railway charters. Canada has invested enormous sums of money and has given heavy guarantees in aid of railways; and the people, I believe, are of the opinion that no further aid should be given to this undertaking until it is decided by the most thorough investigation that such aid is necessary, and that the moneys heretofore granted by the Parliament of Canada and by the provincial legislatures have all been devoted exclusively to the construction of this road, and that none of them have gone into holes and corners where they should not have gone. I have no quarrel with Messrs. Mackenzie and Mann, nor with the enterprise. They have been energetic Canadians, and they have entered upon the building up of an enormous system of railways. I, for myself, am perfectly willing to aid them in a proper manner, as I have by my vote in this House assisted to aid them in the past. But I do not think that these gentlemen should object if they are seriously and strongly criticised in this House. They have received enormous subventions; they have received great aid from the Parliament of Canada, and that money has been spent by them without any supervision on the part of the Parliament or the Government of Canada. There is a strong feeling throughout the country, true or untrue—for myself, I believe it is very largely true—that these men, notwithstanding the statement of the Prime Minister that they have made no profits out of the construction of these railways, have made enormous sums of money, not perhaps out of the construction of these railways as out of their dealings with them.

I do not know that it is necessary to say anything very harsh about the resolutions, as it is not necessary to say anything harsh about Mackenzie and Mann. The resolutions in themselves are bad enough, even clothed with the bright colours painted by the right hon. the Prime Minister, without our casting any reflections upon them. In my opinion, the conduct of Messrs. Mackenzie and Mann in regard to this undertaking should be fully investigated and thoroughly understood.

One objection raised by the right hon. the leader of the Opposition was that, by reason of the agreement entered into between the British Columbia Government and the Canadian Northern Pacific management, this transcontinental railway would be tied up in such a way as to be detrimental to the people of Canada. The Solicitor General rather impugned that proposition, saying that section 6 of the Railway Act was sufficient in scope to override that agreement and to give the Parliament of Canada exclusive jurisdiction, irrespective of the agreement. Section 6 says:

> Where any railway, the construction or operation of which is authorized by a Special Act passed by the legislature of any province, is declared, by any Act of the Parliament of Canada, to be a work for the general advantage of Canada, this Act shall apply to such railway, and to the company constructing or operating the same, to the exclusion of such

of the provisions of the said Special Act as are inconsistent with this Act, and in lieu of any general railway Act of the province.

That is, the Special Act of Incorporation. Section 6 does not say: to the exclusion of any special agreement that may have been entered into between the British Columbia Government and the particular railway. Therefore, as a matter of law, this Parliament has no jurisdiction to deprive the people of the province of British Columbia of any rights which they have under the agreement entered into between them and the Canadian Northern Pacific railway. It would be absolutely ultra vires of this Parliament to pass legislation which they might consider might affect that agreement. It is absolutely impossible for legislation to be passed in this Parliament which will prevent the operation of that agreement, whatever its operation may be.

The agreement is there, made between a railway incorporated by the province of British Columbia and the British Columbia Government and ratified by the legislature of that province, and under these resolutions nothing can deprive the British Columbia Government of the advantages which they have under that agreement, whatever those advantages may be. I submit that before the Bill to be based upon these resolutions becomes law, the province of British Columbia should consent to the withdrawal of their agreement with the Canadian Northern Pacific railway or that some means should be taken, either by testing the matter in court or otherwise, to ascertain definitely what are the rights of this Parliament in regard to the matter. Surely the Government of Canada should not become a partner in a railway concern a portion of which railway is under the control or supervision of one of the provinces of Canada. If we are to have a transcontinental railway in which the Government is to be a shareholder, that transcontinental railway should be exclusively and in every particular under the jurisdiction of the Parliament of Canada and under that jurisdiction only; no part of it should be in any particular under the jurisdiction of a provincial government or a provincial legislature. For that reason I say that further consideration of these resolutions should be postponed until the matter is fully and finally settled.

There is no doubt that the chief considerations in this matter are financial considerations. The Government states, and the right hon. Prime Minister stated, as well as his Solicitor General, that this enterprise is bankrupt. At page 3799 of 'Hansard,' May 13, the Prime Minister says:

It became apparent some months ago that the enterprise could not be carried to successful conclusion without further assistance.

And then he states the various reasons why that assistance is necessary. The Solicitor General, as reported on page 3823 of 'Hansard,' says:

But the fact remains that the system at present stands in a position where it cannot, in the nature of things, be made a paying investment, be made a turn on the way to success and away from the road to failure, unless funds are provided to take care of the completion of that road.

The Government is proposing to go into partnership with a bankrupt concern, as hon. gentlemen opposite themselves say, in order to relieve that concern from insolvency by the use of the money of the people of Canada. If this concern, as the Prime Minister and the Solicitor General have said, is insolvent, I cannot for myself understand where they can get security for the moneys which they propose to advance. The Solicitor General says they are taking ample security, yet in the next breath he says that the concern is insolvent and cannot be made to turn to success and away from the way to failure unless funds are provided to take care of the completion of the road. It seems to me that the Government are taking a peculiar position. They say in one breath that the enterprise is a failure and in the next breath they say: have no fear; the assets on which we are taking a mortgage will amply protect the people of Canada for the investment of this money. If hon. gentlemen opposite can work that out consistently, they can do something more than I can. Why should this concern be bankrupt? Bonds representing millions of money have been guaranteed by the federal Government and by provincial governments; why should this enterprise be bankrupt? Has the Government made any investigation as to why it is bankrupt? I venture to think that they have not. The Government to-day are as ignorant as I am of the reasons why this enterprise is, as they say, in a bankrupt condition, and perhaps more so, because they are not, perhaps, as suspicious as I am of the reasons for its being bankrupt. I have my own opinion as to why the promoters of this railroad enterprise are coming to Parliament now for money. I submit that they have received sufficient aid up to the present time to have enabled them to complete

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the road. I do say—and I hope that the promoters will not take umbrage, because their conduct is entitled to criticism, considering the amount of money which they have received—that this enterprise has been milked to too great an extent by its promoters to permit of the completion of the road with the money which has been put into it. The prevailing impression throughout the country is that Messrs. Mackenzie and Mann are multi-millionaires, and I am of the opinion that they are. They started this enterprise, I believe, in 1896, by taking over a small line of railway in the province of Manitoba. At that time these gentlemen were far from being wealthy, and when men in this country suddenly spring from a position of small financial standing to a position of enormous wealth, the general public usually arrive at a fairly correct idea as to where the money came from. It cannot be controverted that these men, as I have said, when they first started this enterprise and took over the railroad in Manitoba in 1896, were far from being wealthy, and that they are exceedingly wealthy to-day. They have devoted their time, as stated by the Prime Minister, and as the fact is, from then until now in railroad construction. In what way would these men acquire this enormous wealth except in the construction of these railways and in the manipulation and investment of the moneys which they have received from the Parliament of Canada and from the provincial legislatures throughout the length and breadth of this country? My right hon. friend said that Mackenzie and Mann have made no profits out of the construction of this railroad. If they made no profits out of the construction of the railroad, I fail to see how they have acquired the wealth which they are credited with having at the present time. My right hon. friend read an affidavit of a clerk in the office of the promoters, a Mr. Mitchell, I believe, which is set out on page 3803 of 'Hansard.' Mr. Mitchell swears that, to the best of his knowledge and belief, these gentlemen have made no profits out of the construction of this railway, and have taken no profits. It struck me as being a most peculiar thing that if this was the case Messrs. Mackenzie and Mann did not make the affidavits themselves. If these gentlemen had made no profits it would have done them no harm to make an affidavit to that effect. Sir William Mackenzie did publish a statement in the Ottawa Citizen some time ago refuting a charge which he said had been made that moneys which had been raised for the purpose of the construction of these lines had been devoted to other purposes. I do not know that I ever heard that the moneys had been devoted to other purposes, but he says nothing in that connection of profits made by himself and Sir Donald Mann; and they take very good care not to make any affidavits, just to put up a clerk in their office to make an affidavit that, according to the best of his knowledge and belief, they took no profits out of the construction of this work. I submit that if there is one thing more than another which should cause this Parliament to approve of the amendment of the hon. member for Pictou (Mr. Macdonald) that this matter be postponed for six months, it is the very fact that these gentlemen have not seen fit to repudiate that statement. There should be a full, frank and complete investigation of these whole proceedings, and if these men have had profits unduly, and if the moneys have been devoted to purposes for which they should not have been used, this Parliament should be fully seized of all those facts. The Prime Minister further stated that these gentlemen had the right to take certain public lands in Manitoba. The right hon. member said:

> It is, however, proper to say that it has been represented to us that Sir William Mackenzie and Sir Donald Mann have put into this enterprise very large assets which they might, under the law of the land, have retained for their own benefit in the early stages of the development of this system.
>
> I think it ought to be said in justice to these men that all those lands, which under the law of the land they might have retained if they had desired to do so as their own property absolutely, were not retained by them, with the exception, I believe, of one hundred thousand acres.

I wish to join issue with the Prime Minister on that subject. Those lands were appropriated by the provincial legislatures for what? To belong to Mackenzie and Mann? Not at all; to be used for the construction of these roads, and it was the duty of these men not to own these lands themselves unless they put up their own money to build the railroad. Will any one say they did that, that they have put up and have been putting up from the beginning of this enterprise one dollar of their own money, either in construction or otherwise? They used these lands, or should have used them, and I suppose did use them, with the exception of one hundred thousand acres, which they

apparently have kept to themselves, and which they had absolutely no right to keep unless they earned them under the provisions of the Act by which they were appropriated, for the construction of these lines. To say that these gentlemen are so particularly philanthropic that they, in their great liberality, gave back to the country or for the purposes of the country, four million acres of land which they could have kept themselves and out of which they could have made great fortunes, I say is insulting the intelligence of this Parliament and the intelligence of the people of Canada; because they had no right from the beginning to take those lands for their own purposes. They were to be used for the construction of their railroads and, with the exception of one hundred thousand acres which they kept, they have been used, I presume, for that purpose. I understand that from a part of these lands they have already realized $17,000,000, and that there is enough left to realize some $12,000,000 more to be used in the enterprise of the construction of these lines. What further ? It is contended, and I contend, and it is generally believed that Messrs. Mackenzie and Mann have made very large fortunes out of their manipulation of these railways and that they have got the money either in cash or in enterprises outside altogether of the Canadian Northern Railway system. But what more have they got ? There is issued of capital stock of this whole enterprise, $158,611,000. The Solicitor General contends that that stock is a valuable asset. He has taken credit to himself for securing a mortgage on that stock in connection with these resolutions. Messrs. Mackenzie and Mann own, I say, practically every dollar of that stock. It is turned over under these resolutions to the Canadian Northern railway, and Messrs. Mackenzie and Mann own the Canadian Northern railway. Out of $77,000,000 of capital stock issued by the Canadian Northern Railway Company, Messrs. Mackenzie and Mann own $70,000,000, and last year, as one hon. member said, they started the printing press and turned out a certificate of $7,000,000 stock for the Government of Canada; so that they practically own, outside of any wealth which they may have acquired in the construction and manipulation of these railroads, $158,611,000 capital stock of these companies, subsidiary and otherwise. Why should not these gentlemen go on and build this railroad ? The Solicitor General says, in speaking of these securities and stocks:

> Consequently the Canadian Northern own all these companies, both the bonded indebtedness and the stock issues, subject only to the charge created by that trust deed or mortgage of 1903.

Messrs. Mackenzie and Mann, it is conceded, own the Canadian Northern railway. Consequently, Mackenzie and Mann own the whole enterprise here, from one end to the other, and why should they not use some of this wealth, acquired in the construction and manipulation of these railways, to complete the railways? They have not paid one dollar of their own money for any of this stock, which they have acquired through their manipulation of railroad charters; and I venture to say that if Messrs. Mackenzie and Mann were placed on the stand, under oath, neither of them would swear that they had paid one dollar of their own money for any of this stock. Then why should they keep it and ask the Government for $45,000,000 more to increase the value of the interest they obtained for nothing. To me, it is inconceivable. Why should not the stock be used for the purpose of constructing the railway? Why is the issue of stock authorized by this Parliament or the provinicial legislatures? A company is incorporated by Parliament with capital stock of a certain amount, and with power to issue stock certificates to a certain amount, in order to allow the promoters to raise the money necessary to complete their enterprise—not to allow the promoters to put the certificates in their own pockets, as has been done in this particular case. This stock should be used for the purposes for which it was intended, and used to the fullest extent to which it can be made available. I have been told on good authority—I believe on just as good authority as the Government have on this matter—the authority of Mackenzie and Mann themselves—that these two gentlemen two years ago could have secured on the London market all the money that was necessary to complete this line if they had been willing to give up the controlling interest in the stock, but they insisted on controlling the enterprise themselves. I am strongly of the belief that to-day, on those terms, they could get all the money necessary to complete the line. In regard to this phase of the situation the Premier spoke frankly. He said:

> I am free to confess that I think it would have been better, when the idea of that enterprise became fixed in the minds of Sir William Mackenzie and Sir Donald Mann, if they, by means of their large holdings of common stock and by their almost sole proprietorship of the enterprise, had seen fit in years gone by to

associate themselves with large financial interests which, I think, could have been brought in to the enterprise, so that the condition which confronts the country at this time might not have been before us to-day.

I give the Prime Minister credit for that very frank statement, and that is exactly the position which the people of this country have had in their minds continually: that Mackenzie and Mann could have associated financial interests with them in this undertaking sufficient to complete the line—and perhaps it could have been completed by now—but for their inordinate greed—their pride, perhaps—to hold the majority of the stock themselves. The stock has not been used for the purpose for which it was intended, that of raising money to complete the line. I believe they could have got the money to do that—but no, they keep the stock themselves. They wish to own the road themselves, and they are endeavouring by their manipulations through these resolutions to own the Government as well; and that they will pretty nearly do if they get the Government tied up in this enterprise as a minor shareholder, with $45,000,000 or more invested, the controlling interest of which is in the hands of Mackenzie, Mann and Company.

Assuming that the Government must come to the rescue, what should be done? The Solicitor General states that they have done everything that could be done. In criticising the statement of the right hon. leader of the Opposition that the security which had been taken was illusory, the Solicitor General said: 'Can the right hon. gentleman name anything possessed by the Canadian Northern or by the other companies that we do not take security on?' I am free to say that, so far as these companies themselves are concerned, the Government has taken security on everything they have in the way of corporate property, but, notwithstanding that, I claim that the statement of the right hon. leader of the Opposition that these securities are illusory is well founded. On page 9 of the blue book is given the total mileage in operation of the whole system, amounting to 7,236.51 miles. One of those railways I know something about, and if this blue book is no more accurate in regard to the other lines than it is in regard to the Niagara, St. Catharines and Toronto railway, it is rather unreliable. The mileage in operation of the Niagara, St. Catharines and Toronto railway is given in the blue book as 75 miles. This road runs through a portion of the county of Welland. It runs from Port Dalhousie on lake Ontario to Port Colborne on lake Erie, a distance not exceeding 24 miles. It runs from the town of Thorold in Welland county to Niagara Falls, a distance of about 10 miles. There is also a line, recently completed—whether in operation, I do not know—between the city of St. Catharines and the old town of Niagara at the mouth of the Niagara river, a distance of about 12 miles. That totals up to 46 miles. The same company owns street railway lines: one between Thorold and St. Catharines, and one operating in Niagara Falls, which, I presume, are included in this 75 miles. These car lines are from four to five miles in length. The mileage probably also includes certain sidings in St. Catharines of a very minor and inexpensive character. Including all these, the total mileage of the Niagara, St. Catharines and Toronto railway will probably not exceed 50 miles. I venture this statement against anybody, that 55 miles will cover the entire mileage in operation of the Niagara, St. Catharines and Toronto railway, including terminals, sidings and street railways. They are out twenty miles in their length there. If the same proportion of error, or misstatement, is applied to the entire length of the line in operation throughout the whole country they are only out about 3,000 miles, I presume, because, if in fifty-five miles they are out twenty miles, what would they be out in 7,236 miles? It would be something over 3,000 miles. But taking their statement as being correct, what do we find? On page 30-32 we find a statement that the securities against these lines amount to $312,818,910 and the fixed charges against this mileage. The securities issued amount to $312,818,910 and the fixed charges are $12,927,983, or a total of securities and fixed charges of $325,746,893. This total is somewhat higher than the figures given by the Prime Minister but these are the figures contained in the blue book. On the 7,236 miles in operation we find that there are securities issued and fixed charges outstanding of $325,746,893 which would represent over $46,000 a mile against the various parts of the line which are in operation. Then, in this statement, certain lines have been eliminated; for instance, the Niagara and St. Catharines railway is not included and there must be fixed charges in connection with that line. Whether there are bonds or securities issued against that line

I do not know. The Canadian Northern Saskatchewan is not included in this statement with reference to fixed charges and securities. Why these lines are not included it is impossible for me to tell.

What security is there in the mortgage? You have $46,000 a mile or more of securities and fixed charges against the railway and I venture to say that these cannot be considered to be any very great security for this mortgage. You also have a first mortgage on the stock as set out in sub-clause (a) of section 2 of the resolution:

> Grant a first, fixed, and specific mortgage or charge upon the shares mentioned in the first part of the second schedule hereto.

The total amount of shares mentioned in that schedule is $62,487,500. I would like to ask the Solicitor General if he will be kind enough to tell me what value he places on these shares or if he places any value at all? There are certain companies which apparently have not yet issued any stock; for instance, the stock of the Canadian Northern Manitoba railway and the Mount Royal Tunnel and Terminal Company is to be handed over when issued.

Mr. MEIGHEN: No separate valuation has been made of them.

Mr. GERMAN: Does the Solicitor General put no value upon them?

Mr. MEIGHEN: Undoubtedly; the value is a value depending on the success of the system and any valuation you might fix upon them now would be of very little assistance.

Mr. GERMAN: So that the Government is lending $45,000,000 on the security of something that is to be made valuable by the money which the Government advances?

Mr. MEIGHEN: That is partly true.

Mr. GERMAN: If the $45,000,000 does not make this security valuable they will come back and say that the $45,000,000 is not sufficient and next year the Government will have to go down into the treasury and dig up another $45,000,000 to further make these securities valuable.

The balance of the property, excepting as stated by my hon. friend from South Renfrew (Mr. Graham), is at this minute mortgaged for all it is worth. I will venture to say that there is no man who knows anything about the situation who will not say so, or will not also say that the security is illusory. I am inclined to think that it is too illusory to form a shadow. Let us take the mortgage already existing against the property. There are securities outstanding at the present time to the extent of over $47,000 a mile, and then you are taking a first mortgage on $60,000,000 of stock which did not cost Mackenzie and Mann one penny, at least of their own money, and which the Solicitor General at the present moment cannot give a value to. Then, you have a second or third mortgage on other securities, which are at this moment under the trust deed of 1903, and which are mortgaged for every dollar they are worth. That is the position and that is the security which the Government have taken for their grant of $45,000,000. The Solicitor General makes a further statement at page 3825 of 'Hansard,' and it is this:

> In that way we take everything these companies have and we place it under our mortgage as our security against our guarantee. Who is there who can suggest anything more that we can do?

Mr. Speaker, I think I can suggest something more that they can do and do to advantage. I would like to know from the Prime Minister or the Solicitor General why, if they thought the shares in any of these companies were of value or were likely to be of value, they did not include in the mortgage the $60,000,000 of stock that Mackenzie and Mann hold in the Canadian Northern Railway Company. They take a mortgage on companies that are not in operation, on the stock of companies which are not worth one dollar, as to which the Solicitor General cannot say there is a dollar of value, and they leave out of the securities only such stock as might become valuable and that is the $60,000,000 which Mackenzie and Mann will hold in the Canadian Northern proper if this scheme goes through. I would like to know from the Prime Minister and the Solicitor General why they did not include that $60,000,000.

Mr. MEIGHEN: Because, in effect, we have it anyway. If it has any value we have security now on all that represents value, and on foreclosure we have in fact everything the Canadian Northern railway has. What advantage would there be in doing it the way the hon. gentleman suggests?

Mr. GERMAN: What was the advantage of taking a mortgage on the $62,000,000 of other stock which is just exactly in the same position? It is handed over to the Canadian Northern.

Mr. MEIGHEN: No.

Mr. GERMAN: My hon. friend says no, but he has it in the same way because that

stock is all handed over to the Canadian Northern and covers every asset the Canadian Northern has, which would include that stock, and the $60,000,000 belongs to Mackenzie and Mann and not to the Canadian Northern railway. The Government does not cover it with their mortgage, and Mackenzie and Mann can do with it what they like. If the interest is paid, Mackenzie and Mann hold the $60,000,000 and they can control not only the company but they can control the Government as well.

Mr. MEIGHEN: Perhaps I can say something that will make it clear to the hon. gentleman. It is quite true that by taking a mortgage against the Canadian Northern, that mortgage would ordinarily cover everything the Canadian Northern own including the $62,000,000; but there is this difference: by taking it the way we do and impressing it with our mortgage we have the first charge on these stocks. By doing it in the way the hon. gentleman suggests, the stocks would first become subject to the $312,000,000, and we would come next. There is that difference. By this method we get a fixed mortgage on the equities of these companies, represented by their stocks, and if we did not do that we would only get physical mortgages on the individual companies to the extent to which they get the money.

Mr. GERMAN: With all due deference to the Solicitor General, I feel that his explanation is as illusory as the security he is taking, because Mackenzie and Mann own this $60,000,000 stock and they can mortgage that stock to this Government and clear from any prior charge of any kind. If the Government said: We want that stock included in this mortgage, it could have been included as a prior incumbrance against any thing and any body.

Mr. MEIGHEN: No.

Mr. GERMAN: There is where the Solicitor General and I differ, and how he can put forth that proposition I cannot understand. Mackenzie and Mann own the stock. There is nothing against that stock. This $60,000,000 is the most valuable stock in the whole concern, because that stock, issued by the Canadian Northern, the parent company, is the stock of a company which the Solicitor General and the Prime Minister have both said is the stock in that part of the line which runs right through the heart of Canada and is indeed the only paying portion of the whole outfit, namely, that part of the system from Port Arthur to Edmonton. Mackenzie and Mann own $60,000,000 of the stock of that company, and they own the subsidiary companies, and still the Solicitor General says that the Government, at the instance of Mr. Z. A. Lash, consented to leave that $60,000,000 stock belonging to Mackenzie and Mann out of these securities. If the hon. gentleman wants a suggestion as to what more he can do, I advise him to include that $60,000,000 in the mortgage, the same as all other stock. There is another thing that can be done, as was suggested by the hon. member for South Renfrew (Mr. Graham) and that is to tell Mackenzie and Mann to put some of their own money into this enterprise. I make the statement without fear of contradiction: That not only have Mackenzie and Mann made enormous profits out of this railroad manipulation, but they have never from the beginning to this present hour put one dollar of their own money into the enterprise, and notwithstanding that they control it from one end to the other. They control the subsidiary companies and the parent company, and now they are seeking in this way to get from the Government $45,000,000 and to hand over $40,000,000 stock, and thereby to a large extent control this Government at least, if they do not control subsequent Governments. They should be compelled to put some of their own money into this enterprise. My hon. friend, the Solicitor General, appears to make light of, or to show indifference as to the question of control. As a matter of fact, the stock of all these subsidiary and constituent companies is being handed over to the Canadian Northern Railway Company, and the stock of the Canadian Northern Railway Company is increased from $92,000,000 to $100,000,000. The Government is to have $40,000,000 of that stock, and Mackenzie and Mann are to have $60,000,000. The hon. gentleman has probably occupied the position of a minority shareholder in some company, and he knows as well as any one else that the majority shareholders control the situation. Assuming that there is no default, and that the interest on these guaranteed securities is paid up, what is the position? Mackenzie and Mann control not only the parent company but the Canadian Northern and all subsidiary companies, and the Government has one director on the Canadian Northern and no director on any of the subsidiary or constituent companies.

Mr. MEIGHEN: Yes, we have.

Mr. GERMAN: You have one director on each of these companies?

Mr. MEIGHEN: Yes.

Mr. GERMAN: You can have two directors in each company if you want to, but that would be of absolutely no use to the Government, because there would be a voting power against them. Mackenzie and Mann control the whole situation, and you see how easy it is for them to simply divert as have been diverted and very likely will be diverted, all the profits of these concerns to purposes, not illegitimate or illegal purposes, but to such purposes as would prevent these companies from ever paying a dividend on that $40,000,000. If it were all in one concern there might be a different consideration, but you have here twenty-nine different, separate entities, including the Canadian Northern, and there are separate boards of directors and separate managements, and separate supervision, and the dividends earned, if any, by each of these companies, will be devoted to such purposes as the majority directors of these separate entities choose to devote them. Wherein can the Government ever secure any compensation for their investment in an enterprise such as that?

I submit, Mr. Speaker, that the control of these enterprises means everything, and that the Government should take control. I have made the statement and I reiterate it, that Mackenzie and Mann could have borrowed the money in the open market from capitalists in London, to have completed this line of railway. had they seen fit to give up control. But they feel so strongly the benefit of having control that they are ready to risk entire failure rather than give up that control. They calculated, I suppose, that they could come to the Government, and having full confidence in their influence over the Government, get the Government to give them this money and still retain control of these enterprises. I submit that it is of the greatest importance that the Government should have control before they go further with these resolutions. I say that the consideration of these resolutions should be postponed, first, because there is great doubt in regard to the agreement and the effect of the agreement between the province of British Columbia and the Canadian Northern railway, and that should be settled clearly and definitely before the Government goes into partnership with these concerns. I say further, that the consideration of the resolutions should be postponed until there is a thorough and complete investigation of the dealings of Mackenzie and Mann with these enterprises from the beginning, and as to whether or not there has been any misappropriation of funds as is alleged very openly throughout the country. I say that the consideration of these resolutions should be postponed until the value of these securities is more definitely and fully ascertained, and then when that is found, it should be ascertained whether the amount of money now proposed is sufficient to complete the line. As I have said, I have been told on good authority that this sum is not half enough to complete the line up to the standard of a really good transcontinental railway. If it is not sufficient, the Parliament of Canada should know that before we invest in this enterprise by giving this company a guarantee of $45,000,000. If it is found, after a thorough investigation, that it is necessary or expedient to guarantee the bonds for Mackenzie and Mann to enable them to complete this line, the Government should take a controlling interest, if not $60,000,000, at least 51 per cent of the stock of the company, so that the Government will have it in their own hands, through their own directors, to see that the earnings of this company hereafter go to pay dividends on this enterprise and not into the hands of speculators who will divert them for their own purposes.

For these reason, imperfectly stated as they have been, I believe that this Parliament should support the amendment of the hon. member for Pictou, and postpone the further consideration of these resolutions until this investigation has been held and until Parliament meets again six months hence.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, I am glad to have the privilege of supporting the resolution now before the House. I am sure that the people of Canada appreciate the fact that the most thorough investigation has been held in regard to this enterprise, and that the Government have done everything possible to present to Parliament all the facts in regard to it. My hon. friend (Mr. German) states that a further investigation is necessary, but he suggests that we should investigate the private affairs of Mackenzie and Mann to a very large extent. We cannot hold an investigation into the private affairs of Mackenzie and Mann. The Canadian North-

ern Railway Company is a public corporation, and we have made the most thorough investigation in regard to the proposition now before Parliament. The comptroller of the Department of Railways, the comptroller of the Intercolonial railway, the comptroller of the Department of Finance, and all the best financial men in the Government service were placed at the disposal of the gentlemen who had the preparing of these resolutions. They have made a thorough investigation into the whole proposition, and it ill becomes any hon. member to state that the Government have not investigated the matter thoroughly.

Canada, my hon. friend says, has invested heavily in railway enterprises. That is very true. Since 1825, when the first boat passed through the Lachine canal; since 1848, when the first boat passed through the St. Lawrence canal; since 1853, when the first railway was opened up in Ontario, up to the present day, the people of Canada have been deeply interested in the transportation facilities of our country, both on water and on land, until to-day they have invested in railway facilities $774,000,000, the total capital invested in railways being double that amount, namely $1,548,000,000. In our canal system we have invested over $135,000,000, and by 1920 we shall have $200,000,000 at least invested in them. It is very true, as my hon. friend has said, that the people take a very great interest in the development of the resources of the country, especially as regards transportation.

every hon. member on the other side of the to aid Mackenzie and Mann, and practically

My hon. friend has said that he is willing House, who has spoken on this subject, has made that statement. They have recognized the fact that Mackenzie and Mann are sterling Canadians, who have had the backbone and integrity and the stick-to-itiveness to carry out these great projects and to develop this great Canada of ours as it would not have been developed had they not taken a hand in the work. The right hon. the leader of the Opposition has already made the statement that the charters that Mackenzie and Mann took up in the first instance in Manitoba went begging through the streets of the capital of that great province. He recognized the fact that, had these men not taken up these charters and had they not secured from practically every province in the Dominion guarantees for their bonds in order that they might sell the securities in the markets of the world, we would not have had today this great undertaking with its 10,000 miles of railway spread throughout our fair land, covering the best possible territory. If you go through the Northwest territories, you will find that this railway runs through the very best agricultural sections of those western plains. The railway from Edmonton to Vancouver is built by the very best possible route; it is 200 miles shorter than the Grand Trunk Pacific railway, and its grades are better than the grades of any other road on this continent from the prairie to the Pacific ocean. Therefore, we may feel proud and glad to know that we have such men as have undertaken such an enterprise as the Canadian Northern Railway system.

My hon. friend has apparently no fault to find with the manner in which the resolutions have been framed, and he admits that the assistance is necessary. He asks, however, whether this amount will complete the road or not. The hon. gentleman knows full well, if he will read the resolutions, that it is represented to the Government that this amount will be sufficient to complete the road. In addition to that, the resolutions show clearly that the money which is going to be paid for the completion of the road will be paid out on the advice of the Minister of Finance, and that not a dollar of it will be paid out until his agents have satisfied him that, as far as that money is concerned, it has been earned by this corporation.

The provinces have helped this great enterprise, and I want to emphasize this point especially by placing upon 'Hansard' the correct statement as to what the financial interests of the provinces are in this great undertaking. As regards the cash subsidies, I have had prepared a memorandum that has not been previously placed upon 'Hansard.' The provinces are deeply interested in this great enterprise, and we should have the fullest possible information in regard to the assistance they have given. The table I have prepared is as follows:

Canadian Northern Railway System.
Cash Subsidies, 31st December, 1913.

Dominion of Canada—	Granted.	Paid.
Canadian Northern Pacific Railway.	$ 6,300,000	$ 4,349,930
Canadian Northern Alberta Railway.	3,120,000	2,832,024
Canadian Northern Railway..	2,000,332	2,000,332
Canadian Northern Ontario Railway.	14,762,832	10,122,470
Canadian Northern Quebec Railway.	707,568	707,566

Halifax and South Western Railway..	1,364,210	1,364,210
Total..	$28,254,942	$21,376,529
Province of Ontario—		
Canadian Northern Ontario Railway.	1,072,800	1,072,800
Province of Nova Scotia—		
Halifax and South Western Railway..	2,804,450	2,804,450
Municipalities—		
Canadian Northern Railway..	50,000	50,000
Canadian Northern Ontario Railway.	20,000	20,000
Total..	$32,202,192	$25,323,779

Although hon. gentlemen opposite take objection to the attitude of the present Government in this matter, this statement goes to show that the Dominion of Canada is vitally interested in this road and it is our duty to uphold it under the present circumstances.

At one o'clock the House took recess.

The House resumed at three o'clock.

Mr. ARMSTRONG (resuming): At one o'clock I was calling attention to the development of transportation facilities and to the responsibilities of the Dominion towards these transportation facilities. I was able to show that the Dominion had already invested in this road over $25,000,000 and that in addition to that the provinces had a very great responsibility. Should this road be forced into the hands of a receiver, as hon. gentlemen opposite are desirous it should be forced, there is no question or doubt about the responsibility of the provinces; they will be compelled to pay the interest on the guaranteed bonds, and I shall be able to show that that will amount to a very large sum. The responsibilities of the provinces in connection with this road can be seen from the following table:

Canadian Northern Railway System.
Guaranteed Securities —31st December, 1913.

Guaranteed By.	Total Guaranteed.	Bonds Sold or Pledged.	Proceeds Earned and Paid.	Cash Paid.
British Columbia	$ 42,865,000	$ 29,273,330	$ 21,235,342	
Alberta..	29,475,000	18,407,083	12,837,634	
Saskatchewan..	21,150,000	10,463,333	8,695,043	
Manitoba	30,141,950	25,338,102	23,824,485	
Ontario..	7,860,000	7,860,000	6,556,977	$ 1,072,800
	$131,491,950	$ 91,341,848	$ 73,149,481	
Dominion of Canada..	59,746,582	59,473,252	39,937,822	21,376,529
Totals..	$191,238,532	$150,815,100	$113,087,303	
			Nova Scotia cash subsidy paid..	2,804,450
			Municipalities cash subsidy paid..	70,000
			Cash subsidies total..	$25,323,779

It will be observed that the province of British Columbia has a great responsibility and the members from that province cannot but appreciate that the Dominion, in guaranteeing these bonds, is assisting the provinces throughout the Dominion to bring about a successful conclusion of this enterprise. I am not one of those who criticise the provincial Governments for guaranteeing these bonds, because I readily understand that we could not have expected the development of transportation, especially railway transportation, that has occurred in the provinces of the West had the provincial Governments not guaranteed the bonds in the manner in which they have. The members representing these provinces should be careful and guarded as to the legislation which they oppose. I would be surprised if the members from the West supported the proposition laid before the House by the hon. member for Pictou. I cannot believe that these men by voting for that proposition would willingly be the means of driving these roads into the hands of a receiver. There is no question or doubt in my mind that if the motion of the hon. member for Pictou is carried this road will be forced into the hands of a receiver. It has already been stated and truly stated that Mackenzie and Mann or the Canadian Northern railway owe the contractors and

people throughout Canada over $21,000,000. They have reached the extent of their credit, there is no question about that; and the Government have been compelled to take this matter up and have placed before us a resolution which is, to say the least, reasonable and fair. If the members from the West are anxious to have saddled on them the responsibility which I have indicated they will support the motion brought forward by the hon. member for Pictou. The members from Saskatchewan and Alberta are just as anxious to have branch lines developed along the route of this railway as any person can be. The Premiers of these provinces have emphatically and anxiously urged upon the Prime Minister of this country the need of granting aid to this corporation at the present time. There is no doubt in the minds of the members from the West that branch lines are needed far in advance of those that are already under contemplation. Nor is there any doubt in my mind that the men from the West realize that had it not been for the stick-to-itiveness and backbone of Messrs. Mackenzie and Mann in forcing this Canadian Northern into that western country and developing the branch lines in the West, there would not have been anything like the population on the western lands that there is to-day, nor would there have been the prosperity that we have witnessed. Over one hundred and forty thousand homesteads have already been taken up on this great railway and its branch lines, covering 24,000,000 acres of land, and from that you can see that this road has been of material benefit to the West. It will be of the same benefit to the eastern provinces, because in the eastern provinces the Canadian Northern Railway has not only developed branch lines, many of which it is bringing in and making part of its main line, but it has taken up the development of electrical railways in Ontario. The Government of Ontario are practically committed to the development and building of electric railways in that province to a very great extent. They will be most anxious to connect up with a trunk line whereby the the products of the farms and factories of Ontario can be taken to the markets of the world in the very cheapest way. Thus by connecting up these lines, with the Canadian Northern railway and the Intercolonial, and if you like with the Grand Trunk Pacific and the Hudson Bay railways, you will have transcontinental connections for all the provinces in the Dominion and a great railway system for the general building up and welfare of our country.

There is another matter that is worthy of the consideration of this House, and that is in connection with the land grants. The hon. member for Welland (Mr. German) called attention to the fact that Mackenzie and Mann could not possibly have taken for themselves that 4,000,000 acres of land in the province of Manitoba, and that they were compelled to turn that land over to the railway. It is true that they have done so, and that $17,000,000, the proceeds of the 4,000,000 acres, has been put into the road for its general development and successful completion. It is estimated that the amount of land yet to be earned in that province is worth $12,000,000. I have here a statement of the land grants to this company by the Dominion and the different provinces, which I shall place on 'Hansard':

Canadian Northern Railway System.

Land Grants—31st December, 1913.

Granted By:	Lands Granted.	Lands Taken Up.	Lands Earned.
	Acres.	Acres.	Acres.
Dominion of Canada	4,002,848	4,002,848	4,002,848
Lake Manitoba Railway and Canal Co. Winnipeg and Hudson Bay Co. Manitoba and South Eastern Ry. Co.			
Province of Ontario	2,000,000	None.	1,700,000
Canadian Northern Ontario Ry.			
Province of Quebec	505,650	None	265,650
Canadian Northern Quebec Ry.			
Province of Nova Scotia	150,000	150,000	150,000
Halifax and South Western Ry.			
	6,658,498	4,152,848	6,118,498

This goes to show that the various provinces have a very great responsibility in connection with this matter. The prosperity of the settlers along the right of way has been greatly brought about by the extension of the Canadian Northern Railway system in the various provinces. The hon. member for Welland said this morning that the Canadian Northern had now sufficient money to complete the road, and that there was no reason why further aid should be granted. The hon. gentleman is well aware though that with the aid granted by this resolution the total cost of the road will not exceed $40,000 a mile. The express, telegraph and telephone companies, the and and terminal companies are in excess. If the Canadian Northern had been built through country such as the Grand Trunk Pacific runs the cost would have been much less. The cost of a large portion of the Grand Trunk Pacific is $102,000 a mile, and yet the hon. member for Welland would have it that these men should complete the road for $40,000 a mile.

Mr. GRAHAM: Is my hon. friend sure about the $102,000 a mile? Those are the biggest figures I have heard yet.

Mr. ARMSTRONG: Without a doubt. The statement has been made time and again, and never refuted. The road from Winnipeg to Moncton cost $102,000 a mile.

Mr. GRAHAM: This is the first time I ever heard that figure.

Mr. ARMSTRONG: I am satisfied that the ex-Minister of Railways recognizes the fact. The hon. member for Welland stated this morning that the Minister of Finance was buncoed in regard to the Canadian Northern last year, and that they ground out $7,000,000 stock by the printing press. The Minister of Finance is quite able to take care of himself, but I might say—I know the Minister of Finance will back me up in this when he has an opportunity to speak—that he could not have taken a different position from what he did on that occasion. If gentlemen opposite will turn up the statutes they will find that the Minister of Finance merely complied with the regulations in regard to that matter. Mackenzie and Mann did not take any advantage whatever of the Minister of Finance or the Government in this regard. The hon. member for Welland also said that all the stock should be taken up by the Government. When this resolution passes, the Government will be in this position: the $60,000,000 being part of the $100,000,000, will not be additional security to what they now have, because if the road is not a paying proposition it falls into the hands of the Government, who become the sole owners, and the $60,000,000, instead of being any benefit to the Government, would be ignored entirely. The directors appointed by the Government would take over the road when foreclosed, and ignore the $60,000,000 of stock put in by Mackenzie and Mann.

The hon. member for Welland (Mr. German) also said there was very little use in the Government's appointing a director, but I say that the Government director is going to be an important feature in the management of the road. He is given very wide powers indeed. He is allowed not only to advise, but almost to dictate to the present management of the road, and if they do not agree with him, he can come before the Railway Commission and compel the Canadian Northern to comply with his advice. The hon. member for Welland said that two years ago the Canadian Northern could have secured on the London market enough money to complete the road, but before he took his seat he said that the securities were not at all sufficient, that we were getting no security at all in this resolution. He said that the financial interests would grant this money even now were Mackenzie and Mann to go to the London market for it. And yet we are not getting any security! He also called attention to the fact that the members on the other side of the House were unanimously in favour of the proposition presented by the hon. member for Pictou. Let me call attention to some of the statements that have been made by hon. gentlemen opposite. The right hon. leader of the Opposition said:

> My right hon. friend said, and I altogether agree with him, that we cannot allow this enterprise to fail. We have too much money in it—not only the money of the country, but of the provinces and of the bond-holders themselves. It is therefore necessary that we should assist this enterprise.

And further:

> I say that not only should we provide for the contingency of possible default by covenant and agreement, but we should have the majority of the stock so that we could control the company.

He closes his argument with this statement:

> I said a moment ago, and I repeat, that this enterprise must go on. It has been conceived for the benefit of the Canadian people. We require this railway. My right hon. friend

said he would not let it to go into liquidation. It must not go into liquidation, but we should have the control of it.

According to the amendment presented by the hon. member for Pictou it is impossible to have control of it. The hon. the ex-Minister of Railways and Canals (Mr. Graham), following the speech made by the right hon. leader of the Opposition, suggested that we should have absolute control of this railway. He and several other hon. gentlemen who preceded the hon. member for Pictou, made reasonable speeches on this question, but practically every one of them was anxious that government ownership should be brought about. How long is it since hon. gentlemen opposite have been converted to Government-ownership in connection with the railways of this country? Will these hon. gentlemen, who in their speeches, advocate government ownership, come forward with a resolution opposed to that presented by the hon. member for Pictou who makes the statement that it is impossible for us to have government ownership? Then we have the hon. member for North Oxford (Mr. Nesbitt) expressing himself in opposition to government ownership. We still further have the hon. member for Edmonton (Mr. Oliver) taking an entirely opposite position in connection with this matter. The hon. member for Welland makes an entirely erroneous statement when he speaks of their being unanimous on the other side of the House in regard to this question. There is no question about our own position. We must complete this great transcontinental railway, no matter what it costs, because it will not only assist in the development of Canada but it will assist in the development of every farm and factory along its right of way. Hundreds of millions of dollars have been invested along its right of way and it would be ruinous for us to attempt to do anything else than assist the completion and development of the road.

Hon. gentlemen talk about public ownership, but the hon. ex-Minister of Railways and Canals well remembers that in 1904 the Conservative party pleaded with the Government of that day to pay an extra one-tenth of the cost of building the transcontinental railway, so that we could own, control and operate a great transcontinental line from ocean to ocean. Hon. gentlemen opposite, instead of trying to hold up Mackenzie and Mann to ridicule, should realize that this proposition is one that is in the interests of the people and they should therefore support it. In 1911-12 what was the position of hon. members from the West in regard to this question? Man after man on the other side of the House stood up and urged upon the Government the development of railways in that country in order to assist in getting the produce of the farms to the markets of the world in the best possible condition and at the cheapest rate. What is the position to-day? In 1913, 115,000,000 bushels of grain was brought from the western plains to Port Arthur. Over one-third of that was brought by this very railway which is now asking for aid. Seventy per cent more grain was brought to Port Arthur in 1913 than in 1912. The Canadian Northern railway was able to bring to that port over 40,000 cars of grain, or at the rate of 325 cars per day for nearly four months, and yet we hear hon. gentlemen saying that the road is not in a fit condition for the carriage of passengers and freight. When you take into consideration the fact that the passengers carried by that road in 1912 numbered 1,500,000, in 1913, 2,000,000 and that only two men in these two years were killed, you will admit that the road cannot be in as bad a condition as hon. gentlemen would lead us to believe. I understand that it is the intention of Messrs. Mackenzie and Mann to take $10,000,000 out of the amount of money they received from this Government for the betterment of the road between Winnipeg and Edmonton, the replacing of the sixty-pound rails by eighty-pound rails, and in that way assisting in the development of the West, in addition to which they propose to build new branch lines.

There is no question but that this road has been a powerful factor in the reduction of freight rates in the West. Go back to 1901 and you find the Manitoba Legislature taking the position that before they would grant any aid they would compel the Canadian Northern Railway Company to immediately reduce freight rates by four cents per 100 pounds and passenger rates from four cents to three cents, a reduction of 25 per cent in the passenger rate. The people of the West must appreciate the fact that competition brought about by this great transportation system has not only materially assisted in the development of that country but it has materially assisted in the reduction of freight and passenger rates. Can hon. gentlemen opposite appreciate the fact that in building 5,000 miles of railway the Canadian Northern railway contributed to the development of the West in a way that could not have been done by the Can-

adian Pacific railway. Ask yourselves the question whether the Canadian Pacific railway would have developed the country to a greater extent than it has. The Canadian Pacific railway has developed it along a different line but I do not believe that had the Canadian Pacific railway been left to itself in that great country it would have developed as rapidly as it has during the past few years.

If you drive the Canadian Northern into the hands of receivers you retard the development of Canada for a generation. The Government were not responsible for the conditions brought about by the Canadian Northern. The old Government—I do not seriously blame them—assisted that road in order to enable it to bring the products of the West to the East. The Canadian Northern with their 5,000 miles of road on the western plains, were compelled to get, if possible, to the eastern provinces in order that they might be able to carry the manufactured products of the East to the great West for distribution. The building of the Grand Trunk Pacific compelled them, in order to protect their interest, to build the line between Winnipeg and the East, and I do criticise the action of hon. members opposite who will now try to retard the completion of this line to the East.

Where could Mackenzie and Mann have gone to obtain money at the present time? —only to the Dominion Government. Their credit has been exhausted, and the only place for them to come was to the Dominion Government. Let me call attention to another fact; not only have towns and cities on the right of way been built up and developed, but industries along the right of way have been materially assisted by the building of this road. Consumers, producers, manufacturers, and others will be materially benefited and will endorse this resolution. The people of England must say that we are doing the right thing in submitting the present resolution to Parliament. By the reduction of the stock from $145,000,000 to $100,000,000 the Board of Railway Commissioners will be in a position to reduce the freight and passenger rates both in the East and in the West, because the general fixed charges on the lines of this railway will amount to two million dollars less than they otherwise would when the road is completed. Another material part of the securities taken by the Government consists of the steamships belonging to the company, and I am informed that the Royal George and the Royal Edward are two of the fastest steamers engaged in the Atlantic service. There are 300 townsites included amongst these securities, as well as the express and telegraph lines belonging to the company. The hon. member for Welland (Mr. German) tried to make us believe that the $12,000,000 of annual fixed charges on this road should be included in the indebtedness of the road to the people of Canada, but he must understand that a large portion of that amount is going to be earned by the road. If he looks at page 14 of the documents brought down, he will find that up to the present the provinces and the Dominion have never been asked to pay one dollar of interest on the guarantees they have given. He will find also that the surplus of the road last year amounted to $1,500,000 and the estimated earnings for 1916 will show a surplus of $1,200,000, and for 1917, $2,400,000, and for 1918 $4,000,000. These are estimated surpluses, it is true, but it is a fact that the road is more likely to be a paying proposition because of the Government coming to its assistance at the present time, than if it were forced into the hands of a receiver. If the hon. gentleman (Mr. German) compares the Canadian Northern and its fixed charges with the Canadian Pacific railway, he must take into consideration that while it is true the fixed charges of the Canadian Pacific railway amount to only about $10,000,000 per annum, they pay ten per cent on $260,000,000 of stock in that road, whereas there is only $100,000,000 of stock in the Canadian Northern. If the time ever comes when the people will be compelled to pay the ten per cent on the $100,000,000 stock, in addition to the $12,000,000 of interest charges, then there will be only $22,000,000 per annum to be paid as compared with the $36,000,000 which is yearly paid by the Canadian Pacific railway. I wish to call attention to the attitude of the premiers of the different provinces with respect to granting aid to the Canadian Northern railway, and it is important that the provinces of this Dominion should realize that they have a very great responsibility in connection with this matter. I quote from a letter sent to the Hon. R. L. Borden by the Hon. Mr. Murray, Prime Minister of Nova Scotia:

Halifax, N.S., March 14, 1914.

Hon. R. L. Borden,
Prime Minister,
Ottawa.

Nova Scotia Government realizes that Can-

adian Northern contributed very largely to railway development in this province, operating at present over four hundred miles. We feel that this progressive railway situation could only have been brought about by the enterprise of such a concern, and the province, by reason of accepting their guaranteed bonds for large sums is vitally interested in the future of this company. Government feels that any reasonable assistance consistent with public interests that can be afforded by the Dominion to the Canadian Northern would be a policy which would be acceptable to our people as it would enhance provincial credit.

(Sgd) G. H. Murray.

Is not this a strong statement from the Liberal Premier of Nova Scotia? Does it not show that so far as he and his government are concerned they are ready and willing to back up the proposition placed before Parliament by the federal Government? There is also a letter from Sir Richard McBride, Premier of British Columbia, strongly supporting this Government in the position they have taken. I quote from a letter of the Hon. J. A. Calder, one of the ministers in the Saskatchewan Government, addressed to the Right Hon. R. L. Borden:

April 17, 1914.

Hon. R. L. Borden,
Ottawa.

Dear Mr. Borden:

Viewing the matter, therefore, from this standpoint, it seems to me that if there is any likelihood that the Canadian Northern railway, on account of the magnitude of its through line undertakings may without additional federal assistance, be left in such a position as to compel it to curtail or hold back its branch line development, the loss to western Canada would be very great indeed.

At present we have thousands of settlers who have been patiently waiting for some of these lines for years, and it would be exceedingly unfortunate, under conditions now prevailing, should there be any further delay in providing the branches required.

To sum up, therefore, it seems to me that not only the West but the whole of Canada is directly interested in the early completion of the through lines of the Canadian Northern railway, as well as the building of those branches so urgently required through large settlements that are at present without adequate railway facilities. If, therefore, upon thorough investigation by your Government, it is ascertained that the company in question must have further federal aid to enable it to complete the undertakings to which it and the country are already committed, it appears to me that there is but one course to follow, namely, to grant the aid required.

Yours truly,
(Sgd) J. A. Calder.

That is a strong statement coming from the province of Saskatchewan, and the members from the West must appreciate the fact that they need branch line development as suggested by the Hon. Mr. Calder, and that he is voicing the sentiments of the people of the West when he urges upon this Government the need of granting assistance to this railway. I read a cablegram sent from Paris to the Right Hon. Mr. Borden by Hon. Arthur L. Sifton, Premier of Alberta:

Paris, 20th March, 1914.

Premier Borden,
Ottawa, Canada.

With present financial conditions would consider advisable federal guarantee with proper safeguards sufficient to ensure the completion and operation main line Canadian Northern. Prosperity settlers on present and prospective branch lines Alberta and west generally should be greatly enhanced by early completion.

(Sgd) Arthur L. Sifton.

Most hon. gentlemen opposite who have spoken on this question have urged the early completion of this road, and I ask them how can we better proceed to do that than by supporting the resolution now under discussion. If the amendment presented by the Opposition were carried, it would retard the development of this road, it would create financial panic in Canada, paralyse the system, and injure our credit abroad; whereas if this road is carried to early completion the general prosperity of the country will be increased.

In conclusion, I congratulate the Prime Minister and his Cabinet on the businesslike manner in which they have brought about this splendid arrangement, and I urge on hon. gentlemen opposite that instead of constantly crying blue ruin they should come forward like men and support this resolution. Not a single man of them is able to make a suggestion that would be better in the interests of the country than the proposal now before us. I accuse hon. gentlemen opposite of, during this whole session, crying blue ruin to the detriment of our country. If there are men out of employment in different parts of the country, these hon. gentlemen rush to Parliament to cry blue ruin. I can only suggest that these hon. gentlemen, who are in the habit of doing this, should join Coxey's army in the country to the south of us. Coxey is marching on to the great city of Washington to-day with some 50,000 followers. Coxey himself claims that there are 5,000,000 idle men in the United States to-day; but, if we have a few idle men in the Dominion of Canada, hon. gentlemen opposite are ready and willing to damage the fair name of this Dominion and interfere with its development.

I can only say again that I strongly support the resolution presented to Parlia-

ment by the Prime Minister and his Cabinet. The Right Hon. R. L. Borden is right on this question, as he has been right on all the great questions that have affected the people of Canada in the past, and I can assure him of my very hearty support on this resolution.

Mr. F. B. CARVELL (Carleton, N.B.): Mr. Speaker, I do not know whether my hon. friend from East Lambton expects me to reply to the latter part of his remarks or not. Perhaps it is not unreasonable to expect him to congratulate the Premier, whom he follows so blindly; and probably he may convince himself that the Premier has made the best trade possible under the circumstances. I do not think, however, it was necessary so severely to castigate the hon. members of the Opposition for preaching blue ruin; but, as this has nothing to do with the matter under discussion, I do not propose elaborating the subject. Perhaps if the hon. members from the western portions of Canada had told the truth about the actual condition of affairs, my hon. friend might have had some cause to complain; but I am afraid conditions have been so bad in that part of the country as to render it necessary to conceal the real facts. I am not going to spend very much time in showing the reasons for the changed condition of affairs in this country in the last three years, but it is most remarkable that, when this Government came into power three years ago, the country was prosperous; the West was booming; the manufacturers of the East were running overtime and on Sundays; the Canadian Northern Company were not begging us for Heaven's sake to save them from blue ruin and bankruptcy; everything was going on in a prosperous, happy condition. Two and a half years of Tory rule in Canada have seen a wonderful transformation in the actual conditions. I say 'have seen', because I do not want to say that all of this is absolutely due to the bad management of my hon. friends opposite; but I am afraid that, when the history of Canada comes to be written, my hon. friends must be blamed for a great deal of the changed conditions of affairs which have taken place in the last two and a half years.

It is not my intention this afternoon to discuss the general conditions of affairs in Canada. I wish to discuss the condition of Mackenzie and Mann in so far as it relates to the Dominion of Canada; and it seems to me that a discussion of this one phase of Canadian financial affairs is quite sufficient for any one's attention on one occasion, and that it is not necessary to travel over the whole realm of Canadian financial affairs in order to prove that this Government is in perhaps the worst position in which any Government of Canada has been placed since Confederation. My hon. friend from East Lambton has been very fair in his remarks, as he always is. My hon. friend has done the very best he could to bolster up the position taken by his Premier, and I do not find any fault with him for that. My hon. friend has eulogized the Canadian Northern Railway system, I think, a great deal beyond the actual merits of the case, and has tried to show that no better trade could have been made than the one made by the Government. Again, I would rather expect him to take that course; but notwithstanding all these arguments of my right hon. friend, there are millions of people in Canada who will not be convinced by the arguments put forward by my hon. friend from East Lambton.

There has been a most remarkable absence of authoritative statements from the members of the Government, especially the gentlemen who are really responsible for these proposals. My right hon. friend the Premier gave a general statement of what construction he placed upon the resolutions, and satisfied himself with that. The Solicitor General gave a very learned statement of what he thought were the advantages of the contract, but he spent most of his time in trying to show what a wonderful asset the Canadian Northern railway system was. Since then we have not had a word from any member of the Government. It is a most remarkable thing that about the only speeches we have heard from the Government side of the House since then have been the two wonderful speeches made by my hon. friend the member for Calgary (Mr. Bennett) and my hon. friend the member for Kingston (Mr. Nickle). I watched with a good deal of interest the attitude of the old warhorse of the Conservative party, the hon. Minister of Trade and Commerce (Mr. Foster) during the great speech of the hon. member for Calgary. It was a study; it was worth spending two hours in the House of Commons to see, not to say anything about the wonderful array of facts and arguments presented by the hon. member for Calgary. It was amusing to watch the face of my hon. friend the Postmaster General. I have not seen such an unholy

gleam in the eye of that hon. gentleman since I came to Parliament as I saw when he was listening with such rapture to the arguments put forward by these two hon. members. Any person could see the great amount of gratification in the mind of the Postmaster General at the scathing rebuke which his party was receiving from these two hon. gentlemen, who have been described by the hon. member for Thunder Bay and Rainy River (Mr. Carrick) as the Bull Moose members of the Conservative party.

We have heard nothing from my hon friend the Minister of Finance, although I understand we are to be favoured with a statement from him this afternoon, to which we are all looking forward with the greatest amount of pleasure. My hon. friend assured the House only one short year ago that if we gave the Canadian Northern Railway Company a subsidy of $15,000,000 their troubles would all be over, and this great transcontinental system would be completed. That was the substance of his words. The hon. Minister of Finance will attempt to explain those words away; and we shall await with a great deal of interest the manner in which he will explain away the fact that, instead of $15,000,000 settling all the troubles of the Canadian Northern Railway Company and putting them on the highway to prosperity —I am almost afraid to state the amount of money which, in my judgment, from a consideration of the undigested mass of documents which have been thrown to us in the promiscuous manner in which the information asked for has been given to this House, will be necessary to complete the road; but I am safe in saying that $100,000,000 will not do what my hon. friend told us a year ago would be done by the payment of $15,000,000; and the company have already got the $15,000,000. If my hon. friend's arguments and assurances this afternoon have no more basis of fact than had his arguments and assurances of a year ago, I am afraid this House will not pay very much attention to them. Therefore I expect my hon. friend to back up the statements he makes this afternoon by something more than a mere assertion of facts coming from, as I believe, Mackenzie and Mann, as they came from them last year. I would be the last person to accuse my hon. friend the Minister of Finance of having attempted to mislead this House last year. I have too much respect for my hon. friend to do that. What I do fear is that my hon. friend was misled by the statements, not so much of Mackenzie and Mann as of a gentleman who has been referred to here a great many times, a gentleman well known to the Minister of Finance; a gentleman very closely associated with him on a memorable occasion in the year 1911; a gentleman who, with my hon. friend the Minister of Finance, led the noble army of martyrs, the eighteen noble patriots who attempted to save Canada to the British Crown and prevent its annexation to the United States; a gentleman who, if common report be true, is responsible for my hon. friend the Minister of Finance occupying the high and exalted position which he occupies in the Government to-day. It is needless to say that I refer to Zebulon A. Lash.

Mr. W. T. WHITE: I thought you were referring to the Prime Minister.

Mr. CARVELL: I was referring to Z. A. Lash, something stronger than the Prime Minister. I am afraid that the mis-statements made by his friend Zebulon A. Lash a year ago put my hon. friend the Finance Minister in the position in which he finds himself to-day. I only hope that the information which he will give us on this occasion will come from a better and less interested source than did the information which he received a year ago from Mr. Z. A. Lash.

Another hon. gentleman from whom we have not heard, and who should know something of this matter, is the Minister of Marine and Fisheries (Mr. Hazen). I think the hon. minister ought to get far enough away from his old friends the Canadian Pacific Railway Company in order to give some reason for the faith which is in him in supporting these resolutions. I say that it is most remarkable that, with the exception of the remarks of the gentleman to whom I have referred, we have not been favoured with any statement from members of the Government who are on the inside and who should know something about this matter. I do think that we are entitled to more information along these lines than we have received up to the present time.

I feel that it is unnecessary that I should say anything uncomplimentary about Mackenzie and Mann or about any other person in discussing these resolutions; nor do I think it is necessary that members of the Government should spend so much time in eulogizing these two wizards of finance, as they are called; these two empire builders; these two men who have devoted their lives to making Canada the great

and prosperous country that it is to-day. This is purely a financial transaction; it is purely a question of whether, in the first place, we should give aid to the Canadian Northern system, and whether, in the second place, the Government are proposing to give this aid in a manner which will be in the best interests of the people of the country as a whole. Therefore, as I have said, I am here neither to praise nor to condemn Mackenzie and Mann; I am here to discuss, very briefly indeed, the financial position in which I find this company placed to-day, and in which I find the Government placed by reason of their yielding to the solicitations of these two railway magnates. I know that we cannot find in Canada another instance of where two men have accomplished such wonders in the financial world as have Mackenzie and Mann in connection with the Canadian Northern railway system; in fact, I doubt very much whether the case has a parallel on the American continent. Just think of what they have accomplished. Without putting in one

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dollar of private funds; without becoming responsible for the payment of one dollar; without doing anything but beg from everybody whom they met, these two gentlemen have succeeded in getting from the people of Canada, from the Dominion and from the provinces, over $200,000,000 either of money or of money's worth. I say that this is something unique in the history of Canada, and, I believe, in the history of the American continent: over $200,000,000 in hard cash begged from the people of Canada, who were cajoled, and, in some cases, I am afraid, almost threatened into giving this money in order to enrich these gentlemen and make them a pair of millionaires. When hon. gentlemen opposite talk about Mackenzie and Mann being patriots, I am almost compelled to say something unpleasant. My hon. friend the Solicitor General smiles; it is no wonder, because I am afraid that the intercourse which my hon. friend has had with these gentlemen and their solicitor during the last two months has given him an insight into the real condition of affairs which makes him smile in his sleep when Mackenzie and Mann appear to him in his dreams. When attorneys and counsel come into court with a case they take it as it is presented to them and make the best they can of it, and I think that my hon. friend the Solicitor General, who always makes the best of a bad case, has done the best he could in this case. But my hon. friend knows that so much of this story has not been told that he cannot help smiling when the names of Mackenzie and Mann are mentioned to him.

These men have been referred to as patriots: these men who have almost buccaneered $200,000,000 out of the people of Canada. I went over the matter very hurriedly a few moments ago and, according to the figures which the Government have given us, we find that Mackenzie and Mann have obtained, in the first place, over $25,000,000 in cash and, in the second place, lands in the Northwest which they admit are worth $30,000,000. Further, they have obtained the guarantee of bonds and securities by the Dominion Government to the extent of $58,000,000 and by the provincial Governments to the extent of $76,000,000. This makes a total of $180,000,000 in round figures. In addition to that, they have lands in the provinces of Quebec, Ontario and Nova Scotia, roads which have been built and purchased by them—but all of which have been built practically by public money—all over the eastern portion of Canada and, to some extent, in the province of Manitoba; roads built in the province of Quebec and in the province of Nova Scotia. Adding the sum total of the value of these properties you find that at least $220,000,000 or $225,000,000 of actual money or moneys worth has been given to these two gentlemen for the purpose of building this railway system. They conceived, perhaps, one of the boldest schemes which was ever thought of in America. Two men, who at the time had, I imagine, very few dollars of private funds, but who did not put in a dollar, no matter what they may have had, conceived the idea of building a great transcontinental railway. We are told that we should consider them as patriots because they had imagination sufficient to induce them to go into this great scheme. I do not suppose that there is a member in this House who has not had sufficient imagination during his lifetime to induce him to go into some financial scheme or other. Some of them, I presume, have turned out satisfactorily; many of them have turned out unsatisfactorily. I know that I have gone into financial schemes during my lifetime; many of them, I am sorry to say, turned out unsatisfactorily, but probably the schemes that other members and I myself have entered into are just as important so far as our communities are concerned as is

the Mackenzie and Mann scheme so far as Canada is concerned. But when our schemes go wrong, do we go to our municipal authorities, to our city and town councils or to our provincial Governments and say: We conceived the idea of establishing a great institution of some kind, but the thing has gone wrong; we are up against the wall. It is true that we have spent not a dollar of our own money; it is true that we have spent all the money that we have been able to borrow; it is true that we have spent all the money which the people have given us, that we cannot borrow more and that nobody will give us any more money. We cannot go on with this work; therefore it is up to you to finance it for us. Would our people call us patriots, call us magnates, if we did this, or would they call us idiots? I have been all through the mill; I have had financial transactions that have gone bad but I did not find any government or corporation or municipality coming to my aid and putting up thousands of dollars for me. They say: If you are fool enough to undertake a thing that you cannot carry through, put up your own money, put up your own securities; if you cannot pay your way, go to the wall, and let somebody else take it up. That is what you find in the ordinary affairs of life, that is what probably one-half the members of this House have found in ordinary business experience. The hon. member for Lambton says that these gentlemen are patriots and are absolutely bankrupt. The words he used were: They have gone to the extent of their credit, then he says there is no other source to which they can go for money except the Dominion Government; and because these men are bankrupt, and because there is no other source to which they can go, and because they come here and ask us to grant them an enormous sum of money, it is our duty to grant it. This is the logic, and I think the hon. member for Lambton pretty nearly stated the logic of all the members on the Government side of this House who have supported this measure up to the present time. Perhaps you might say that it would be only fair that I should state what my own views are on this matter, and for fear that ony one should claim that I am not frank in discussing it, I wish to admit that this matter has assumed such gigantic proportions that I do not see how the Government of Canada can do otherwise than do something in order to prevent the enterprise going entirely to smash, because that would be a very serious matter for Canada. But when I say that, I am not agreeing in any manner whatever to the scheme proposed by the Government in order to work out a solution to this very unfortunate condition of affairs.

I now want to discuss very briefly the scheme proposed by the Government. A large number of documents have been laid upon the table of the House. Some of these have been printed in a blue-book and some have not. I do not think that I have spent more real time in trying to understand any subject that has come before the House since I have been in Parliament than I have spent on this Canadian Northern scheme; and I am compelled to admit, although it may not be very much of a compliment to my ability, that I have rarely attempted to speak upon a matter about which I could so little understand many things connected with it. If there is any more light to be thrown upon these things, it is the duty of the Government to give us more explicit explanation than we have received. In so far as I have been able to go, and I have read over every word in the blue book and every document laid upon the table of the House, I find that there are present liabilities upon this road amounting to about $42,540,000, not for the purpose of building the road, not to extend the road, not to complete the system, but to pay their debts and put them in a position where it will be safe to run engines and cars over the road. That is the position as I find it, if I am right in my figures. I have made up these figures largely from sessional paper No. 269 I, a portion of which has been printed and a portion not. I find that the liabilities at present outstanding and the immediate necessities are as follows:

British Columbia, loans and debts due, $10,141,780; Canadian Northern Railway lines, (i.e. the lines from Port Arthur to the Yellowhead Pass), $8,348,290; Canadian Northern Ontario lines, debts due, $4,727,698; Toronto and Ottawa lines, debts due, $1,878,726; Equipment trust, debts due, $7,441,086; betterments on all lines, $10,000,000; making a total of $42,540,580.

I was a little in doubt whether I was justified in putting in the $10,000,000 of betterments as a portion of the money to be taken out of the $45,000,000 of guarantee, but if the hon. member for Lambton knows what he is talking about, and I am satisfied he does, then I was right in putting in that $10,000,000 because he makes the positive statement that:

I understand Messrs. Mackenzie and Mann intend taking $10,000,000 out of this grant to pay for betterments.

Therefore I have the story complete so far as that is concerned. The sum of $42,540,-580 is to be taken out of this money to pay the debts and to pay for betterments in order to make the road safe to operate. My friend the Solicitor General shakes his head. I tell him I have not given a statement that I cannot prove by his documents. Every figure I have given I have worked out from these documents. My hon. friend knows that they are there, he can take the documents and verify them. At page 13 of this file he will find a statement regarding the British Columbia road, and he will find that they owe there, of debts, $10,141,-170. That is right, is it not.

Mr. MEIGHEN: I have no reason to doubt it.

Mr. CARVELL: If he will go over to page 19 of this file, he will find that there are $8,348,290 due in loans, sub-contractors' drawbacks, and accounts for material on the western lines. At page 20 he will find that on the Canadian Northern lines there are due $4,727,698 for loans, sub-contractors' drawbacks, and accounts for material. On the same page he will find for the Toronto and Ottawa road, loans, sub-contractors' drawbacks, and accounts for material, $1,878,728. On page 24, he will find that in the equipment statement the amount required to pay outstanding accounts and principle due on equipment trust securities in the hands of the public for the year 1913-14 is $7,441,096 And then he has the confession of my hon. friend from Lambton, if it be correct, that the whole of these betterments will be paid out of this amount. Add these together you have $42,045,580.

Mr. MEIGHEN: I am sorry I was not present when the hon. member for Lambton spoke, but I scarcely think he was correct in stating that the whole of the $10,000,000 for betterments will come out of the $45,-000,000. The whole of the $10,000,000 for betterments, and the items read by my hon. friend, will come out of the proceeds of the $45,000,000, plus the proceeds of the $58,000,000; that is to say, out of the whole $100,000,000.

Mr. CARVELL: But there is a lot of other things to come out of the proceeds of the $58,000,000. No man knows better than the Solicitor General that you have got to spend the $10,000,000 for betterments or you cannot run your trains over these lines in the West. No man know that better than

[Mr. Carvell.]

my hon. friend. He knows that there are hundreds of miles—yes, thousands—that have not a shovelful of ballast on them except what is called dirt ballast; that it will take millions of dollars to replace the wooden trestles, and to fill up the fills; that the roads are in such a bad condition that it is not safe to run a train at more than 10 miles an hour and the Railway Commission has been compelled to reduce the speed of the trains. And yet my hon. friend tells me that they do not intend to take this $10,000,000 for betterments.

Mr. MEIGHEN: Out of the $100,000,000, yes.

Mr. CARVELL: They will take it out of the only money available, and the only money available is the proceeds from the $45,000,000 worth of bonds.

Mr. MEIGHEN: That is no more available than any other proceeds.

Mr. CARVELL: My hon. friend knows better. He knows that a Government guarantee makes the bonds saleable, and that they are going to be sold. These 4 per cent. bonds will not sell at par, perhaps, even with the Government guarantee. I doubt if they will bring very much more than $42,500,000. Some gentlemen have said we are going to have a completed system; we are going to have a wonderful transcontinental extending from the Atlantic to the Pacific which will do transcontinental business. But I think I have proved from this document that it will take all the $45,000,000 bond issue to pay the debts owing and to put the road in running shape. That is the difficulty. Mackenzie and Mann or Lash has put it all over somebody; I do not want to say the Solicitor General because I do not hold him responsible more than the rest of them. The fact remains that this $45,000,-000, with the other available assets, will not complete the road or anywhere near it. And next year or two years from now, for they will probably wait till after the next elections, they will come back here and tell us the tale they told us last year, that they are telling us now, and that they will probably tell us on two or three future occasions: for God's sake give us some money that we may complete the road; if you give it to us this time we will never come back any more. But they will come back just the same.

Mr. GRAHAM: This Government does not expect to have to meet them again.

Mr. CARVELL: No, the Government expects the burden will fall on other shoulders, and acts on the principle that 'sufficient unto the day is the evil thereof.' They relieve present necessities, and then hand the matter over to their successors.

Another thing is revealed by this document—and I do not think my hon. friend will disagree with me in this, because I am quoting the figures practically as they are given on page 10 of the blue-book, which seems to be the financial statement of the company. I figure that to complete the road will take as follows:

British Columbia lines..		$13,505,712
Canadian Northern lines..		6,694,606
Ontario lines—main line.	$11,387,324	
Toronto-Ottawa line ..	258,143	
		11,645,467
		$31,845,785

According to the estimate that Mackenzie and Mann have given to the Solicitor General, it will take almost $31,000,000 or $32,000,000 to complete the road, not including all the branch lines, as stated by my hon. friend from Lambton—not by any means. That amount will only cover the main line and the branch lines at present under construction. To that I have added what I think I am perfectly justified in adding, $20,000,000 for equipment, making a total of $51,845,785 required, according to the admission of the Government themselves, to complete the road at present under construction. Does any man on this side of the House or the other, or in the country, who knows anything about railway construction, believe that the estimate given by Mackenzie and Mann is correct? I do not say that offensively. Possibly they may believe it is a reasonably correct estimate, but the history of every railway in Canada and of practically every other great work shows that nothing in this world is so unreliable as engineers' estimates. It is almost a disease with these gentlemen. I never could understand why it is that while they are never right, they always err on the one side; they always estimate these works to cost less than they actually do cost, and when these gentlemen tell you it will take $50,000,000 to $51,000,000 to complete the road, you will be almost safe in adding fifty per cent to that. Take the Grand Trunk Pacific for instance. Estimate after estimate was made and exceeded, and the same with the Canadian Pacific railway, the Intercolonial railway, and every other great work in Canada. Take the Welland canal. I venture to say that when the Welland canal is completed it will cost twenty-five per cent more than the Government say it will cost.

Mr. EMMERSON: And the Soulanges canal.

Mr. CARVELL: Yes. I tell my hon. friends that $52,000,000 will not complete this work. And besides that there are thousands of miles of branch lines to be constructed, which are not commenced at the present time. If the people demand them, they must be built, and this Government must build them, as I will try to show. The moment this Government becomes a partner in this enterprise—the only partner who has any money—no matter what improvements, extensions, or betterments are required, the partner with the money must furnish them because you cannot get blood out of a stone nor money out of a partner that has not any. To my mind, that is one of the greatest objections I have to the whole scheme.

In the blue-book I find a sort of a summary of my figures with certain additions. It shows that for debts due and betterments, $42,540,580 is required; amounts necessary to complete lines under construction, $51,845,785; floating liability, $10,408,128; loans secured by pledged securities, as I figure it out, $15,423,170, but against that there are securities as collateral; loans due to banks, $20,703,865, there being collateral securities against these too. These total up to $140,921,528 of debts due, including certain debts which are covered to some extent by securities, and amount required to complete. But you have the enormous sum of $141,000,000 of debts due by this concern; and they are asking this Government to step into the breach and become the junior partner. We are asked to put ourselves in the position where, no matter what happens this amount must be paid by the people of Canada. In order to place the matter fairly before the House, I want to state that there are securities held against the two last amounts.

Mr. BURNHAM: Is the hon. gentleman in favour of granting these people anything at all?

Mr. CARVELL: To put it in a very terse way, I am not at all in favour of granting Mackenzie and Mann anything at all. I am in favour of keeping the Canadian Northern Railway system as a going con-

cern in Canada. I hope my hon. friend understands me.

Mr. BURNHAM: I do, because your statement contradicts your leader.

Mr. CARVELL: All right; I am talking for myself. We will be pleased to hear what my hon. friend from Peterboro (Mr. Burnham) is in favour of. We know that there have been various reports around this country stating what he is in favour of and what he is against. Some of these reports have been of such a nature that my hon. friend has felt it necessary to try to make his position clear in the House. But my hon. friend usually makes a show of trying to disclose his position by means of asking questions. We would be delighted to have some extended statements from him and then we really would have some idea of what his views may be. I was referring to the two latter amounts which are covered by securities. As I have figured it out from page 44, the Government believe there is a sufficient equity in the collateral to pay the debt. I have very grave doubts about that. I know that the list quoted looks like as if something could be got out of it and it might have that appearance if put before the public. I can imagine I see the Solicitor General out in one of the townships in Manitoba, spellbinding the natives and telling them: We have $7,000,000 of an equity in this to pay these bills with and they are just as sure as the debt of a farmer who has a good wheat crop coming on for this year, but when you come to analyse the various items on this list, I am afraid they will not bear the reputation which the Solicitor General would like to give them. We have almost £1,000,000 of these collaterals which it must be remembered is only Canadian Northern debenture stock not guaranteed by anybody. I know that this debenture stock was put up in one place as being worth 75½ last December. I do not say that there were not a few shares of this debenture stock sold at 75½, but Mackenzie and Mann cannot sell that stock for 75½—they cannot sell it for 25½ to-day. They could not put that debenture stock on the market and sell it at all, and if they could they would sell it, because there is quite an amount of that debenture stock still available. When you talk about this debenture stock being some sort of a guarantee of this loan, you are only deceiving the people. When you talk about $1,000,000 of this debenture stock being a security, or being something which is a first mortgage, you lose sight of the fact that this security is entirely ephemeral.

[Mr. Carvell.]

It is composed altogether of debentures of the company without any guarantee behind them. You have also other guaranteed stock, some three and one-half per cent and some four and one-half per cent which would not bring anything like their face value. Notwithstanding the fact that there is an apparent equity of $7,000,000, the fact is that there is really a deficit, and that somebody will be compelled to pay some millions of dollars in order to redeem these pledges.

Then, if you turn over to the next page, and take the amounts due the banks, you will find that the condition is even worse. The Solicitor General refers to a particular claim of $3,000,000 in that connection. But instead of it being an equity, he will see that there is a liability of $3,000,000 when he works that out. You have £1,301,590 sterling of perpetual consolidated debenture stock of the Canadian Northern guaranteed by nobody put up as collateral for a loan of $6,500,000. Then you have some 5 per cent land debenture stock which would probably be fairly good. There is also some 4½ debenture stock guaranteed by British Columbia, and some 4½ debenture stock guaranteed by Alberta. It is all covered by the guarantee of Alberta and of British Columbia and the land debenture stock. But will this British Columbia and Alberta and land stock bring par? It will not bring anywhere near par. You would not have anything like a $24,000,000 guarantee altogether, because the banks cannot realize on that stock. There is no use of talking about the banks attempting to realize on that because they cannot do it. Therefore, I state that in place of there being an equity of $3,000,000 on these securities, you will be nearer the mark if you say that there will be a deficit of $3,000,000 or $4,000,000, because the banks could not realize on these securities. The statement that there is an equity of $3,400,000 is not correct. It is correct, I will admit, so far as the documents go, but it is highly misleading as far as the results of these documents are concerned.

It seems to me that the very least that my hon. friend the Solicitor General (Mr. Meighen) could have done was to try and make Mackenzie and Mann personally responsible for at least seeing that these debts were paid. But my hon. friends have not even gone that far. There is no guarantee even that these debts will be paid, although they try to make the people believe that they will be paid. If you look at sections 4 and 5 of the resolutions you will see that

they are the most misleading statements that are to be found in all these documents. Section 4 says that:

That covenants or undertakings to the satisfaction of the Governor in Council shall be given that all outstanding temporary loans to the Canadian Northern or any of its Constituent or Subsidiary Companies secured by the deposit or pledge of securities, will be paid out of the proceeds of such deposited or pledged securities when the same shall be sold or disposed of, and that no proceedings against the Canadian Northern or any of said other companies will meanwhile be taken for the collection of such temporary loans.

I would like to know who is to prevent the man who has $1,000,000 of Canadian Northern securities attempting to collect the money. Who guarantees that he will not collect this money, and who guarantees that anybody will pay this money if he does try to collect it, except the Government of Canada? We can see the result already. Immediately these resolutions are submitted to Parliament proceedings are taken to put one of these companies in liquidation. Who is going to come to the rescue? Who is going to put up the money to keep this concern from going into the receiver's hands? My hon. friend knows the concern I refer to. Action has already been taken in the courts at Montreal to put it into the hands of the receiver. Who is going to keep it out of the receiver's hands, in the final analysis, unless it be the Government of Canada? It is true that Mackenzie and Mann may finance it in some way for the present, but they will have to come back to the Government, because it is the only milch cow that they can come to now.

Now, having assumed this position, we become the bankers, the second mortgagees in possession, we are the people who must pay up all these liabilities, and every one of these bankrupt concerns comes back to the Government of Canada now and says: You are behind this enterprise, pay up; and you will pay up. Then we have section 5 of the resolution, which reads as follows:

That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said Constituent and Subsidiary Companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount to be determined by the minister and that meanwhile all such current indebtedness other than such as may be the subject of bona fide dispute, will be either paid or arranged in such a manner that no proceedings for the enforcement of payment thereof will be taken or pressed.

That is a little better than the other, because we have here one entity at least. And, who are going to guarantee that these debts will be paid? The contractors are to give the guarantee. And who are the contractors, under these resolutions? I turn to the first page and I find that the 'contractors' mean Mackenzie, Mann and Company, Limited, and Mackenzie, Mann and Company, Limited, guarantee that these debts will be paid. What have Mackenzie, Mann and Company, Limited, got? As far as the evidence goes they are not worth a dollar. All the evidence we have is the other way; they are absolutely a bankrupt concern, and yet a bankrupt concern without a dollar in the world is allowed to guarantee that this $10,000,000 will be reduced to $3,000,000 of current liability. Let me show you wherein the Government are being—I think I will say buncoed, because I do not think any other word will express my meaning so clearly. When you go to the agreement, the meaning of which we know, we find that the word 'contractors' means 'Mackenzie, Mann and Company, Limited, Sir William Mackenzie and Sir Donald Mann.' There, Sir William Mackenzie and Sir Donald Mann covenant to do certain things, but all they covenant to do is that they in the first place will assign this stock to a trustee, who will hold it for them and for the Government, and that in the second place they will assign $33,000,000 of this stock over to His Majesty, to make up the total of $40,000,000: $7,000,000 having been assigned last year. They covenant further that they will hand over the Brockville, Westport and Western Railway Company, free of charge, and that they will do any other acts necessary to carry out the intentions of this covenant, and, lastly, that they will make no claim for their twenty years' services. When Mackenzie and Mann become personally responsible, all they agree to do is to hand over the common stock, which to-day is not worth the paper it is written on. If the Government were sincere in trying to make the people of this country believe that Mackenzie and Mann were behind this thing personally, they would make the word 'contractors' in the resolution mean the same thing as the word 'contractors' in the agreement. If they will change the interpretation of the terms of the resolution and make Mackenzie and Mann personally responsible, we would at least have something to show. When they

insert in section 4 of the resolution that covenants or undertakings on behalf of the contractors will be given to the satisfaction of the Governor in Council, we then would have something to go on; we would have Mackenzie and Mann responsible that these guaranteed debts would be paid and responsible that the floating indebtedness of ten million dollars would be brought down to three million dollars.

The more one considers these resolutions and the documents which have been flung at us, the more he must be convinced that there is a deliberate attempt here by somebody to save Mackenzie and Mann harmless. Mackenzie and Mann are entirely out of it when it comes to paying anything, but Mackenzie and Mann are entirely into it when it comes to receiving anything.

Mr. MEIGHEN: What are Mackenzie and Mann receiving?

Mr. CARVELL: I will come to that in a little while.

Mr. MEIGHEN: I do not think you will.

Mr. CARVELL: Yes, I will; it is early in the day yet. I admit that the evidence is very incomplete as to what they have received up to the present time. I wish I had the evidence which the Solicitor General possesses, or, better still, the evidence which his friend Lash kept away from him. If the Solicitor General has the information which Lash has, and if he will give it to us, then I can answer the question as to what Mackenzie and Mann have received, with a great deal more certainty than I can now. The Solicitor General listened on Thursday last with a great deal of attention to the statement of the member for Calgary (Mr. R. B. Bennett) as to what Mackenzie and Mann had received. I do not need to go into that question in the exhaustive manner in which the member for Calgary treated it; in fact I have not the ability to do so, if I wanted to. The hon. member for Calgary disposed of that question, and it is unnecessary for me to repeat his arguments. The hon. gentleman gave to the Government certain statements as to where Mackenzie and Mann have received something, and I want to know if there is any member in this House, including the learned Solicitor General who is so innocent, who belives that Mackenzie and Mann have handled $244,000,000 of hard cash obtained from the people of this country and from their unguaranteed securities, and have acted the part of two magnanimous patriots. Does any one believe that they have simply acted as agents, to whom this money was paid, that they did not receive a dollar out of the whole transaction, and that every dollar of that $244,000,000 is represented in the undertakings referred to in this resolution. Why, even the Solicitor General does not believe that. Why on earth did they create these subsidiary companies, if the whole thing was a bona fide transaction and there was no money being made out of it? You sometimes can argue backwards, and when you have not the evidence it is the only way you can argue, and we know that there has not been a mile of road built in Canada by the Canadian Northern system. We at all events have no evidence that there has been, and I think I am safe in making that assertion. Money by the millions, the ten of millions, and the hundreds of millions, have been granted to the Canadian Northern Ontario, the Canadian Northern Alberta, the Canadian Northern Saskatchewan, the Canadian Northern Pacific, and all the rest of the Canadian Northerns, but not one of these Canadian Northerns has ever built a mile of railway. What did they do with the money? They have handed $244,000,000 of that money over to themselves, only under a different name, the name of Mackenzie, Mann and Company, Limited, and William Mackenzie and Donald Mann own all the stock.

Mr. PARDEE: And Lash.

Mr. CARVELL: My hon. friend says 'Lash,' and he is no doubt a little deeper in it than some of us think he is. But on the surface it is Sir William Mackenzie and Sir Donald Mann. All this money is handed over by Mackenzie and Mann and the Canadian Northern Railway Company, to Mackenzie and Mann as a contracting company, and neither of them has built a mile of road. Mackenzie and Mann, as a contracting company, go out through the world and make bargains with every person they can find to build the road as cheaply as possible. It is all very well to bring an affidavit of a clerk in their office stating that he believes no money should be made out of it. On what does he base that belief? Why does he not give us some information as to his belief? As was said so forcibly by my hon. friend from Welland (Mr. German), why did not Sir William Mackenzie and Sir Donald Mann make affidavits that they would receive no portion of this money.

Mr. MEIGHEN: Would that satisfy you?

Mr. CARVELL: It would be more satisfactory than the declaration of a clerk in their office.

Mr. MEIGHEN: It would not satisfy my hon. friend.

Mr. CARVELL: Your hon. friend would still reserve the right to do a little thinking for himself, but if the Solicitor General will give us a chance to get these two witnesses in the box I will try and be satisfied with the result. I think there are a great many members on the other side of the House as well as on this side who would like to have the opportunity of examining them. I do not profess to be such an authority on railway matters, that I could cross-examine these two gentlemen on all the ramifications of this great Canadian Northern system, but I think, with the assistance of my hon. friends, I could touch the fringe of the matter, and, Mr. Speaker, you will only have to touch the fringe of the garment in order to show one of the greatest stock-jobbing transactions and one of the greatest manipulations of securities and cash that has ever taken place in Canada. You do not have to get inside of it. I asked the question before: Why do they create these subsidiary companies, if it is not to make money out of them? My hon. friend the Solicitor General said that they did it so that they could handle the securities better. I admit that, probably so far as the equipment trust is concerned, that is true. I dare say it is necessary to have a separate organization so far as the equipment is concerned, because I know that the equipment trust can purchase the rolling stock. It gives a mortgage, and the rolling stock is not covered by the general mortgage upon the road. That is the object of the equipment trust. It may be a means of helping the company to finance, because, if all the rolling stock went into a general mortgage, the company might have difficulty in purchasing it. Therefore, so far as rolling stock is concerned, I believe there is some reason for a separate organization. But when it comes to building the Canadian Northern Pacific and the Canadian Northern Ontario, which are the two gigantic portions of the system, there have been paid out in the last three years $45,000,000 or $50,000,000 to Mackenzie and Mann, Limited; or to Mackenzie and Mann in one case and to the Northern Construction Company in the other, which is about the same thing. Why could not the Canadian Northern Pacific Company call for tenders and let these contracts to the lowest tenderer? Why could they not have done as the commissioners for the National Transcontinental railway did? Why could they not have done as the Canadian Pacific Railway Company did? When the Canadian Pacific Railway Company wanted to build their Seaforth line, when they wanted to build their line from Toronto to Sudbury, when they wanted to double track their main line from Vaudreuil west, when they wanted to build their Lake Shore line to connect with the main line, they did not organize any subsidiary companies, like Mackenzie and Mann, Limited. You do not hear of any Shaughnessy-Van Horne, Limited, on the Canadian Pacific railway —not by any means. They simply went out into the world and asked contractors to tender for the work. I know intimately the men who built the Toronto-Sudbury line; I know the men who are building the Lake Shore line to-day. They are men who were contractors on the National Transcontinental railway, men who were simply asked to tender in the ordinary course of business, and the lowest tenderers got the contract and are doing the work.

Mr. MEIGHEN: The Canadian Northern Railway Company are actually doing it in the way my hon. friend describes.

Mr. CARVELL: That only shows the necessity of an investigation. We have no evidence of that, and it is the first time we have ever heard of it. If all this is true, how does it come that Mackenzie and Mann hand over these millions to themselves, without a contract, without even an agreement ?

Mr. MEIGHEN: They do not.

Mr. CARVELL: The evidence here is that they do.

Mr. BURNHAM: Would it not be possible to summon Messrs. Mackenzie and Mann before the Public Accounts Committee, by virtue of the guarantees formerly given by this Parliament ?

Mr. CARVELL: It might be possible.

Mr. BURNHAM: Then, why not try it?

Mr. CARVELL: I will tell you what I would rather do. I would rather put a firm like Price, Waterhouse and Company on their books for a month or six weeks, and then have a Royal Commission or a Committee of this House investigate the matter. I would like first to get some information, and then bring them here. My hon. friend speaks about summoning them before the

Public Accounts Committee. It is late in the session, and I am afraid we would not get very far before the Public Accounts Committee this session in unravelling this monstrous financial transaction.

To come back again. Why do they not call for tenders? Why do they hand over these millions of dollars to themselves without asking for tenders? Would it not be interesting to know the prices which the Canadian Northern paid to Mackenzie and Mann, Limited, and the prices which Mackenzie and Mann, Limited, paid to the contractors? No man need tell me, in the absence of pretty good sworn testimony, backed up by documents, that there is not an enormous difference between the amount of money paid to Mackenzie and Mann, Limited, and the amount of money paid by Mackenzie and Mann, Limited, to their contractors. You can take all these subsidiary companies; you can take all the manipulations of the bonds and stock referred to by my hon. friend from Calgary (Mr. Bennett) the other day, and you can show in every one of them that there is no reason for creating these subsidiary companies beyond the fact that they are the mere agents to register the transactions—because the Canadian Northern Railway Company is an entity, the Canadian Northern Ontario Railway Company is an entity, and the Canadian Northern Pacific Railway Company is an entity; they are all entities; they all have the power to contract; they all have the right to sue and to be sued; they all have the rights and powers which all other public corporations in Canada have; and there is no necessity for handing over these contracts and building the line in the way in which it was done, unless it is to cover up something.

Mr. BLAIN: Has my hon. friend no faith whatever in Messrs. Mackenzie and Mann?

Mr. CARVELL: Yes, I have. They are two of the shrewdest men who have ever lived in Canada. But my hon. friend forgets that Messrs. Mackenzie and Mann are coming to Parliament as suppliants. They say: We have come to the end of our tether; we cannot get any more money; we have come to you, and we ask you to furnish the money. What I am complaining about is that we have not a statement before us at the present time which justifies us in giving them the money. Under this resolution, all this $45,000,000 will go to Mackenzie and Mann. They are the men who will handle that money, not the Government of Canada. They say that they have not made any profits; at least, an affidavit to that effect by some gentleman connected with the Northern Construction Company has been read here. It says that there have been no profits made by Mackenzie and Mann on the construction of the British Columbia end of the road. That may be very true; but that is not saying that Mackenzie and Mann will not get profits out of it in the end. The Northern Construction Company is the same family in the end: it comprises Sir Donald Mann's brother and Sir William Mackenzie's nephews, who are no doubt very estimable gentlemen. I give these men credit for being big men. I am afraid they are a little too big for the men with whom they are dealing. They say that they have not made any money out of this thing yet; but my hon. friend does not realize that it is going to take between ten and eleven million dollars to pay their debts, and about thirteen million dollars to finish the work. I just ask my hon. friend to have a little patience and wait until Mackenzie and Mann get the $10,000,000 of our good money to pay their debts with and the $13,000,000 more to complete the road. Then I would like to have an affidavit from Messrs. Mackenzie and Mann that they have not made any money out of this transaction. These are the things we are complaining about. We object to this enormous amount of money being handed over to the men who have made a failure of the whole thing. We consider that the money should be handled by the Government; and I think we are paying a compliment to this Government of spendthrifts when we say that they should have the handling of this money. We are taking chances in so doing, but the chances are nothing compared with the chances we are taking in handing the money over to Mackenzie and Mann. That is the point we are trying to make and the fault we are finding.

I want to go back to the question of the equipment trust; I am afraid that I was only too truthful when I stated a few minutes ago that Mackenzie and Mann had not properly instructed the Solicitor General; and, that certain important matters had been withheld. I will say this, that my hon. friend is not the first counsel in the world who has been misled by his clients. Any gentleman in this House who has had

experience in counsel work knows that the great and almost insuperable difficulty is to get his client to tell him the whole truth. We have all had the experience of going into court and getting into difficulties because the client did not tell the whole story, and I am afraid that the Solicitor General is in that position; in fact, I know he is. It was proved by a remark made by him the other night when the hon. member for Pictou was referring to the equipment trust. The hon. member for Pictou was asking why in the world it was necessary that this equipment should be bought by Mackenzie and Mann and not by the trust, and my hon. friend the Solicitor General said, that is not true. I want to tell my hon. friend the Solicitor General that it is true.

Mr. MEIGHEN: I did not say that.

Mr. CARVELL: I understood my hon. friend to say that. It is true. The Imperial Rolling Stock Company do not buy the rolling stock; the rolling stock is bought by the Mackenzie and Mann Company, Limited, who give their notes for it and then transfer it to the equipment trust. Why is that necessary?

Mr. MEIGHEN: Because the rolling stock company is a mere intermediary. The Mackenzie and Mann Company, Limited, purchase because they have sufficient assets; they merely turn it over to the rolling stock company.

Mr. CARVELL: That is a plausible explanation, but it is hardly effective, because the rolling stock company issue bonds, and they are the men who ought to have the money to pay for this rolling stock. Every time my hon. friend the Solicitor General attempts to explain the matter, he shows that he has not been properly instructed. He shows that these men are intermediaries for the purpose, I believe, of making money out of the transaction. I would like to have the chance to examine them; I would like to have the chance of bringing here the Canada Car Company and other car companies in Canada and the United States from whom Mackenzie and Mann have bought equipment in recent years; I would like to have the opportunity of examining this transaction and seeing whether or not this rolling stock has been handed over to the equipment trust at exactly the same price which the Mackenzie and Mann Company, Limited, paid the manufacturers for it. It may be possible it has been, but we hae oor doots.

Let me now come back to the financial statement on page 10. My hon. friend admits that they are going to take the whole of the proceeds of the bonds to pay their debts. But, he says, they are going to complete the road out of the $58,000,000. Let us for a moment examine that assertion. The $16,496,332 of equipment bonds are put in as an asset. How can the equipment company have $16,000,000 of
5 p.m. bonds at the present time to put up on the market? If they had $16,000,000 of bonds upon the old worn-out material of the Canadian Northern railway, at what price do you think they would sell? Although I admit that this $16,000,000 is a mere bagatelle in the financing of the Canadian Northern Railway system, it is $16,000,000 out of the $100,000,000 which they set forth as being the amount required to complete the work. It is put forth as a gilt-edged security, worth dollar for dollar, and if it does not produce dollar for dollar then they are far astray in their figuring.

We come next to the Canadian Northern Tunnel and Terminal bonds, $5,995,734, or practically $6,000,000. It is true that they put that in as the amount required to complete the Montreal terminals, and that they have $6,000,000 worth of bonds. But who is going to buy these bonds and pay par for them? Who is going to buy these bonds at any price? My hon. friend the Minister of Finance—he knows something about the financial side of the matter, and that is why I appeal to him—will not tell us that these two last items are worth anything at all like the amount of money which is set forth in this statement. Then, in addition tc that, they have $36,000,000 of bonds at par value which might produce $30,000,000, possibly a little less, but how are you going to get it? The remainder of those bonds, $35,981,960 of par value, worth possibly $30,000,000, they say they are going to earn—from whom? From the people of Canada. That is, the people of Canada put up $45,000,000 in order to put Mackenzie and Mann in a position to earn $35,000,000 more from them; some of it in subsidies from the federal Government and some from the provincial governments by way of bond guarantees and subsidies. Thus it goes on; it is like an immense snowball; the more you roll it the bigger it gets; the more money these people get out of the coffers of the Government the

more money they are going to get out of the people. They say they have $312,000,000 of outstanding securities at the present time. I want to tell my friend that he is a little wrong in his addition; as I make it, the amount is $314,000,000 or $315,000,000. The error may be found in connection with the British Columbia four per cent debenture stock. I took the trouble to look the matter up and I find from the stock exchange book of 1913 that while the proceeds were $17,418,000 they are given here as being $19,500,000. They could not get that much out of $16,412,000 worth of securities. Of course, it is only an error.

Mr. MEIGHEN: There is no error; the explanation is this: other items mentioned in that same column are placed with that one to produce that total. These items do not alone produce the amounts set opposite them in every case; that is on account of the combining of the items which are necessary for the purpose of financing.

Mr. CARVELL: I thank my hon. friend for that information; with the documents that I had I could not figure it out. We start now with the assertion that there are $312,818,910 of securities issued against this road at the present time. We are going to issue $45,000,000 on that and then we are going to issue $30,000,000 on other securities after that, because by furnishing $45,000,000 we put these people in a position to earn the additional amount from the provinces. The result is that we are going to have a mortgage of practically $400,000,000 against the road as at present constructed and under construction.

Mr. MEIGHEN: There is just one point that my hon. friend overlooks. The securities that we enable them to issue are for loans on lines on which there has been practically no construction: for example, the Canadian Northern Saskatchewan railway. I understand that the Saskatchewan Government have guaranteed bonds for some 600 or 700 miles. That road is just being commenced. Consequently the mileage will be very much increased and will be away above the 9,000 miles that was in our lease, when that is all expended.

Mr. CARVELL: I see, but it makes very little difference because somebody has to furnish the money to build the road before they are of any value, and there must be a prior mortgage on them before our mortgage comes in, so it makes little difference.

[Mr. Carvell.]

Mr. MEIGHEN: There will be more mileage.

Mr. CARVELL: I see what you mean. We will have liabilities of $400,000,000, but a little more mileage.

Mr. MEIGHEN: I do not say that the figures are right, but the principle is right.

Mr. CARVELL: That is the load that we are assuming, that is the load which my friends say is a good business transaction.

Let us go back for a moment. In my judgment the worst mistake which the Government has made is to take the $40,000,000 of common stock. I look upon that partnership business as being the most vicious portion of the whole transaction. See what happens. Here are $400,000,000 of securities or mortgages, to use plain English, against this institution. We become partners and we take four-tenths of the common stock. We have got to make that common stock pay because Mackenzie and Mann Company, who are the big end of the show, will say: You have got to make it pay, you have got to keep up the rates where it will pay; you dare not cut the rates, because if you do it will not pay and then you will foreclose your mortgage and we will lose our equity. Therefore the Government will be compelled to keep the rates up. If I lived in western Canada, there is no part of this whole bargain that I would vote against with as good relish and with such a feeling that I was doing the Lord's service and the service of the country, as I would against assuming that $40,000,000 of common stock, because from the moment we become partners in this scheme we will be compelled to keep rates up, and if we keep them up on the Canadian Northern railway so as to pay dividends on the common stock, the Grand Trunk Pacific will have an absolute right to keep up their rates and the Canadian Pacific railway must keep up theirs, so that every railway company in Canada must keep its rates up and the people of the West, instead of getting the reduction on freight rates for which they have been praying for ten years, will find themselves saddled with a condition of affairs which makes it absolutely impossible to reduce rates in the future because the Government have assumed the position of partner in this concern. We are practically third or fourth or fifth mortgages of this concern. We all know the position of the second or third mortgagee. He is at the mercy of the first mortgagee in every instance. The moment the first mortgagee wants his money the second mortgagee must

pay it. If there is one thing which I think is the result of this transaction more than anything else, and this may not be an unmixed evil, it is that all the provinces who have assumed liabilities for the Canadian Northern railway are absolutely wiped out, so far as liability is concerned, and it is handed over on the shoulders of the Dominion. Take British Columbia, which is perhaps the most outrageous example of guaranteeing railway bonds in Canada or any other country in the world. That little province of considerably less than half a million people, although it has a vast area and great natural resources—although the resources are not of very great value without people and I am sorry to say the province of British Columbia is not increasing in population to anything like the extent it ought considering its natural resources—has assumed liabilities of $48,000,000 in order to help out the Canadian Northern Railway system. A debt of $48,000,000 is placed upon the heads of less than half a million people, to build a road which is absolutely unnecessary, which is the worst piece of railway building I have ever heard of, a road which parallels the Grand Trunk Pacific for the first two hundred miles and which parallels the Canadian Pacific railway for the last two hundred miles or more, and which has only about one hundred and fifty miles in the middle between the two which goes through new territory. Nearly $40,000,000 of our money are being expended to build that road, which is practically all the way paralleling existing lines; and there is no doubt that the British Columbia Government have been in a terrible position during the last year on account of it. We know that they have guaranteed bonds to a large amount on this railway, during the last year for $10,000 a mile additional, making $45,000 a mile of bond guarantee upon this road. I am told, and I do not think that my friends opposite will deny, that this last $10,000,000 has been advanced very largely for the purpose of providing interest charges. The Government will have to pay it in the end, but we will provide the bonds and we will borrow the money to pay the interest with, and it will not look so bad to the people of British Columbia. What is true of British Columbia is true of the other provinces to some extent, although not nearly to as great an extent as in that province. When you come down to Saskatchewan, Alberta and Manitoba, I do not look upon the assistance given there as being so vicious, because, while they have gone into the matter pretty largely, yet they have roads in the prairies which are of some value and the roads go through a country where there are people and where there will be more people, and the more people there are the more dividends there will be, and, therefore, even if the Canadian Northern railway defaulted in these provinces I imagine that the first mortgages which the provinces hold on the road would probably be all right. But when we come to British Columbia, if the Canadian Northern railway defaulted on these bonds, I do not believe you could sell that road for one-half of what they are putting into it, not to say anything of the enormous amount which the Dominion has put into it. What is the result? We are taking the load off the shoulders of the British Columbia people, we are assuming the entire responsibility. Just imagine for a moment what will happen when they attempt to foreclose the bonds and the mortgage held by the province of British Columbia if the interest is not paid. We will have to pay the money. If we do not they will foreclose the mortgages, and if they foreclose the mortgages who will pay them? Not Mackenzie and Mann Company, Limited, because they have nothing to pay. Not the Canadian Northern railway, because they have no money. Who but the people of Canada will be compelled to stand in and pay the mortgages if they are foreclosed—and rather than have them foreclosed we will pay up the interest and the result is that the Dominion of Canada are assuming the entire interest charge, not only of British Columbia, but of all the other provinces in Canada. This brings us back to my original proposition. We are assuming a burden of $400,000,000 for which the Dominion of Canada is liable and responsible in order to help out this concern. I wonder if the game is worth the candle. It looks to me as if no financial transaction has ever been carried out that will compare with it for a moment for lack of business ability. When I heard my hon. friends compare this road with the Grand Trunk Pacific and the Canadian Pacific railway, when I considered the condition of affairs existing to-day as compared with the condition in 1884 when the Canadian Pacific railway came to this Parliament for assistance, the condition of affairs so graphically described by the hon. member for Calgary (Mr. Bennett) on Thursday of last week, when those great railway magnates who had put up every dollar they had in the world when they had almost gone to the extent of putting

up securities which they did not have to put up, when they had pledged the credit of the Bank of Montreal for every dollar it would stand, when those people came here and said they would put up every cent they had, when they became personally responsible for it, when they had advanced every dollar they had in buying stock—compare the attitude of those great men with the attitude of those two patriots, who are coming here to-day. These patriots have had $300,000,000 out of the people of Canada and the lending public of England. They have never put up a dollar themselves, and are not willing to pledge their own personal property even to the extent of a guarantee of $4,000,000 or $5,000,000. I ask you, Mr. Speaker, to compare these two conditions of affairs and then say whether there is any parallel between the conditions when the Canadian Pacific railway came to us thirty years ago and the present state of affairs. Take the Canadian Pacific Railway system. Let any man travel over the Canadian Northern railway and the Canadian Pacific railway, and see if he can find any parallel in the physical condition of these two undertakings. The Canadian Pacific railway has some roads, I admit, which are second or third class, but it has thousands and thousands of miles of the finest road on the continent. In the last ten years they have spent millions of dollars on their roadbed from the Atlantic to the Pacific—a road which must be worth twice as many dollars per mile as the Canadian Northern railway. And yet my hon. friend talks about comparing these two! He talks about the cost of the Grand Trunk Pacific. A man would only have to ride over the Grand Trunk Pacific and look over the other road in order to form an appreciation of the character of the Grand Trunk Pacific as compared with the Canadian Northern railway. My hon. friends admit that there is not a road in America to equal the Grand Trunk Pacific. They complain of the cost, but I say that if they multiplied this $45,000,000 three or four times, they would never make the Canadian Northern railway into a road the equal of the Grand Trunk Pacific. They could hardly have such a road. It is true the Canadian Northern railway has about as good grades through the mountains as the Grand Trunk Pacific.

Mr. MEIGHEN: Better.

Mr. CARVELL: I deny that. The Canadian Northern railway's grade going east is seven-tenths of one per cent, except for a twenty-mile stretch where it is seven-tenths, the Grand Trunk Pacific grade is only six-tenths.

Mr. MEIGHEN: The Canadian Northern railway is seven-tenths for only a short stretch of less than eight miles.

Mr. CARVELL: I will accept my hon. friend's figures.

Mr. MEIGHEN: Now compare the grades going west.

Mr. CARVELL: I have not the figures.

Mr. MEIGHEN: The Canadian Northern has no grade at all.

Mr. CARVELL: That is all right; I want to give this concern every credit that is due. There are so many items on the other side of the scales, that we should not refuse to gratify my hon. friend with the few little crumbs of comfort that may fall to him. When you come to compare the cost of these roads for the whole system, there is no comparison at all, and no man knows it better than the Solicitor General.

Mr. MEIGHEN: I thoroughly agree. There is no comparison at all.

Mr. CARVELL: My hon. friend will admit that the Grand Trunk Pacific through the prairies has cost an average of $40,000 to $42,000 a mile. In the case of the Canadian Northern railway what have we: sleepers almost laid upon the prairie; no ditches; hundreds and thousands of wooden trestles and wooden culverts; one and one-half to two per cent grades; a mere surface road.

Mr. MEIGHEN: No, no. I have the profile here if you wish to see it.

Mr. CARVELL: I am talking about the branch lines, not the main line, and there are hundreds of miles of the character I have described. They all go to make up the 5,350 miles in the central section. My hon. friend admitted that even with hundreds of miles of that character to make up the 5,350 miles in the central section, there are securities outstanding to the extent of $35,000 a mile.

Mr. MEIGHEN: With this $45,000,000.

Mr. CARVELL: None of this $45,000,000 is going on that section.

Mr. MEIGHEN: Oh, yes; about $15,000,000.

Mr. CARVELL: No; $8,000,000 is going to pay off their debts, but that does not im-

prove the physical condition of the road at all.

Mr. MEIGHEN: It has been already helped.

Mr. CARVELL: And it is still in the deplorable condition I have described. In addition to that $8,000,000, $6,694,000 goes towards betterments, and when you take that into account you have a mud road, costing $35,000 a mile, and you are going to pay interest on it. Is there a man in this House that will say that a road like that could have cost $35,000 a mile?

Mr. MEIGHEN: My hon. friend has made an error, perhaps unintentionally. How does he say that this whole $45,000,000 is to be charged against that section to make up the $35,000 a mile.

Mr. CARVELL: I took the $6,694,000, which is all that goes into the road.

Mr. MEIGHEN: You cannot make it $35,000 a mile. Start in to do it.

Mr. CARVELL: I have my hon. friend's statement for it.

Mr. MEIGHEN: Show it to me.

Mr. CARVELL: He will find it in his remarks.

Mr. MEIGHEN: Never in the world. I said, including all this $45,000,000.

Mr. CARVELL: What is the use of talking like that? My hon. friend knows that that $45,000,000 is not going into that part.

Mr. MEIGHEN: I said that if it all went there, it would only be $35,000 a mile.

Mr. CARVELL: My hon. friend said $40,000 a mile, although 'Hansard' has it at $35,000 a mile; I do not know why. I know my hon. friend said $40,000, because I sent him a note asking him how he made it up.

Mr. MEIGHEN: No, $35,000.

Mr. CARVELL: I have the note here in my desk.

Mr. MEIGHEN: I did not make it up to $40,000; you cannot show me my note.

Mr. CARVELL: That is what you stated.

Mr. MEIGHEN: No, I did not.

Mr. CARVELL: I knew I would bother my hon. friend when I came to this.

Mr. MEIGHEN: Not a bit.

Mr. CARVELL: My hon. friend knows the weak spots. He knows he has a cheap mud road.

Mr. J. D. REID: Did the hon. member ever see the road?

Mr. CARVELL: No, I have not been west of Winnipeg.

Mr. REID: Then, you do not know anything about it.

Mr. CARVELL: There are oceans of proof that the road is of the character I have described, and thousands of miles of it are not as good.

Mr. REID: Produce your proof.

Mr. CARVELL: It is easy to say, produce your proof. The proof is in the minds of millions of people in Canada, and in the minds of all those who have lived in the Northwest, and it is in the minds of dozens of members of this Parliament. It all comes back to this question. We are taking over a road of that character and are agreeing to pay fixed charges up to pretty nearly $35,000 a mile. It cannot be done. At the very moment we enter into partnership there will be a demand from the people to have these roads brought up to the proper standard, and the Dominion Government will simply have to put up millions of dollars to bring the road up to a decent standard. There will be a demand for additional branch lines—a perfectly proper demand, which must be complied with-which will cost the Dominion Government millions of dollars. Would it not be better to take the railroad over now than to allow these men to manipulate this $100,000,000 of funds for three or four years longer, and then come back and say: We cannot carry it on any longer, we must have further aid or you must take it over. What happens when we do take it over? If there was one portion of the address of my hon. friend from Calgary which impressed me more than anything else, it was that in which he described the foreclosure of this mortgage. I thought that my hon. friend got down to the existing facts and to real human nature a little closer than in any other portion of his great speech. As the hon. member for Montreal, St. Antoine (Mr. Ames), stated: It is true these men have been pretty bold actors; it is true these men have had very grave charges laid against them; it is true these men have

been tried by the Government and have been found wanting, but we are going to give them one more chance, and, if they default again, down comes the axe and off go their heads. Talk about trying to foreclose this mortgage; you would see a lobby around here such as had never been heard of in Canada before. There would not be a contractor, a business man, a politician, anybody in Canada who had ever done business with these people but would be brought here in order to appeal to hon. gentlemen opposite to prevent this taking place. In the end, if it did take place, instead of foreclosing on $60,000,000 worth of stock we would be more likely to have to pay them $15,000,000 or $25,000,000 to get rid of them. That is the true inwardness of giving them this $60,000,000 of stock. It gives them absolute control of this money; it gives them the right to manage the business; it gives them the right to keep rates up against the western producer, and, more than that, if we want to attempt to foreclose this mortgage, it will give them the right to come here and demand from $15,000,000 to $25,000,000 in payment for their equity.

Mr. MEIGHEN: Would my hon. friend prefer the ordinary methods of foreclosing mortgages as embodied in the agreement of 1911?

Mr. CARVELL: I prefer the kind of agreement that the Government entered into with the Canadian Pacific railway thirty years ago.

Mr. MEIGHEN: I am asking my hon. friend if he would prefer the ordinary methods of 1911?

Mr. CARVELL: My hon. friend must remember that in 1911, when we guaranteed the bonds, we had a mortgage upon this road. We had a security that there was something in; we had something which nobody could allow to be foreclosed. But here my hon. friend has as security merely a bankrupt concern. My hon. friend is putting up $45,000,000 when he knows that there is not more than 75 or 50 per cent of actual value behind it. There is as much difference between the North Pole and the South Pole as between the deal in 1911 and that in 1914. If my hon. friend wants a parallel, let him go back to the agreement with the Canadian Pacific railway in 1884. When the Canadian Pacific railway came here and said: We are up against the wall; we cannot sell our bonds and we cannot get any more money, Sir John Macdonald did not say: We will foreclose this mortgage if you come back to Parliament again, but Sir John Macdonald and the Conservative party of that day provided that automatically all their rights, all their equity of redemption, were gone if they defaulted upon the bonds.

Mr. MEIGHEN: After a year.

Mr. CARVELL: Yes, after a year. My hon. friend provides that there cannot be any default for three years. They can go on and ask the Dominion of Canada to pay the interest for three years, and they will ask us to pay every cent of it. We do not give them only $45,000,000, but we are compelled to pay the interest on that amount for three years, and all they have to do is to pay the interest upon the rest of the securities. After three years, if the interest is not paid upon these or any other securities, we cannot forclose them; we cannot cut their heads off, but they will simply come back to Parliament, and we are going to go through all this lobby again that many of us here have been watching for the last three months. We shall again have the lobby at work, but to a much greater degree than we have had it before, and, instead of foreclosing their equity, we will be compelled to pay them an enormous amount of money to get rid of them I have taken longer than I had intended, but this subject is so fascinating that one is apt to be carried away by it. When you see the blunders made by hon. gentlemen opposite, when you see how Mr. Z. A. Lash has taken these hon. gentlemen into camp and disposed of the whole of them, when you see the great benefits that he will get out of it as contrasted with what we get out of it, if you have any interest in this country you must find it a fascinating subject. I have tried to point out that we are not giving Mackenzie and Mann enough money to finish this road. We are only giving them money enough to pay their debts, and, worse than that, we are allowing them to handle this money and to pay these debts themselves. We are giving them the right to pay construction accounts about which we know nothing. We are giving them the right to use this money for betterments about which we know nothing. We are giving them the right to the use of this money and to the use of it at once, and yet the road will be left in the same position as it is. I do not know where

they are going to get money, but if they can get the money, we are giving them the right to go on and finish the road which will take from $25,000,000 to $40,000,000 more. We are giving them the right to take $35,000,000 more out of the people and they own the road, or they own 60 per cent of it while we own 40 per cent. We are giving them the right to control freight rates and to keep them at any point they have a mind to. We are assuming the responsibility not only of paying $400,000,000 of a mortgage, but of paying the interest and of the foreclosure of these securities as they mature.

I say that we ought to have some light on this subject. We ought to have an investigation. We ought to know where the money has gone and to whom it has gone, how much has gone into the railway and how much into somebody's pocket. We want to know how much these two gentlemen have got out of it. We are giving them $60,000,000 of stock and up to the present time not one dollar of their own has gone into it. We ought to have an investigation into that. We ought to know what the road has cost. We ought to know what it is going to cost to complete the system, what it is going to cost to build new branch lines and where this money is going. Then, Sir, I am satisfied that the condition of affairs will not only be shown to be bad, but that it will be shown to be so bad that this company will be compelled to come back to this Parliament in two years from now and ask for further advances. My hon. friends opposite ought to give us some light upon these matters, they ought to have an investigation and find out the true condition of affairs and, if they are as we suspect they are, they ought to eliminate these two men. I am not finding fault with Messrs. Mackenzie and Mann; they are big actors, they are men who have played the game and lost. They gambled in the biggest way that men ever did in the Dominion of Canada. They gambled and lost, and now my hon. friends come to the rescue and say: Let them go on and gamble and win. If my hon. friends opposite are putting up the money to help them to gamble, we should have the equity and not they, and that would mean that the people of Canada would get it.

While I have never been very much enamoured of government ownership, and while I would not look forward to the adoption of that principle with any great degree of comfort, still I would rather see this handed over to a commission to be operated by this Government than that it should be handed over to these two gentlemen. It is better for us, it is better for the people, it is better for the farmers in the western country to reduce the freight rates on the system, because it will not have earned sufficient money to pay dividends. You give Mackenzie and Mann this $60,000,000 of stock and you are compelled to keep the rates where they can earn dividends. If you take over the road, and if you put it in the hands of a commission, you can run it as you are running the Intercolonial railway—at cost. You do not have to earn dividends, you only have to charge sufficient rates to pay the fixed charges, and while you are bringing down the rates on the Canadian Northern railway you are at the same time bringing down the rates on the Canadian Pacific railway and Grand Trunk Pacific. You give the people transportation at the cheapest possible cost under existing circumstances. For these reasons, and considering the very great paucity of information we possess, the terrible responsibilities we assume, and the condition of affairs which is likely to ensue, I shall have great pleasure in voting for the amendment of my hon. friend from Pictou.

Hon. W. T. WHITE (Minister of Finance): Mr. Speaker, I must crave the indulgence of the House; a bronchial cold has almost robbed me of my voice and what I have to say must necessarily be said briefly. My hon. friend (Mr. Carvell) has commented upon the fact that hitherto no minister other than the Prime Minister has spoken on this question, but that only goes to show how unreasonable my hon. friend can be at times. It shows his lack of appreciation of a very delicate compliment on our part, because we desired to have the benefit of the lucubrations of the hon. gentleman from Carleton on this question. We knew he would illumine it. It is not my intention to follow him in his excursion into the realm of figures. My hon. friend is always interesting as a dialectician, but as a mathematician he is a hopeless failure. His literary training I think was reasonably good, but he has grave cause for dissatisfaction with the teacher of his youth who instructed him in arithmetic. I have no doubt the Solicitor General will straighten out all the tangles which befog his brain when we get into Committee on the Resolution.

The issue before the House is simple: shall the Government afford aid to the

Canadian Northern system? Is this the time to afford it, and if so have we adopted the best method of affording it, and has the public interest been sufficiently safeguarded by the proposals of the Government? These are in general terms the questions which are involved in the consideration of the resolutions now before the House.

It is customary in dealing with financial legislation affecting railways to dilate upon the importance to the people of Canada of the transportation problem. That problem is of vital and paramount importance; it is common ground to both political parties, and there is no necessity to touch upon it now.

There is another question which has been much controverted;—has our railway policy in Canada been mistaken; have we aimed too high; have we sought to accomplish too much; have we, as has been said by some, one transcontinental railway too many in Canada? Are there too many lines traversing the north shore of lake Superior?

Much can be said for this view, but the time has gone by for debating the question. We have three transcontinental railway systems, one the greatest in the world; the other two nearing completion. The past is irrevocable. The book is closed, no matter whether its pages may have been writ well or writ ill. The die has been cast, and we have to deal with the situation as we find it. Whether mistakes have been made or have not been made, it is idle now to discuss. It is, in my judgment, the wisest policy to make the best of things, to accept what is inevitable, and above all to strongly believe that with courage and with hope and with resolution affairs can be made to work out satisfactorily. I firmly believe that the railway situation of Canada will work out. This country has resources illimitable; wealth beyond the dreams of avarice for those who will succeed in it. The various geographical sections of Canada are empires in extent, and variety of natural production capable of sustaining a population many times as numerous as that we have inhabiting our Dominion to-day. Is the population of Canada to remain fixed, crystallized, and stereotyped, and is the transportation policy of Canada to have regard to the present only? Is imagination to play no part in our policy? Must the railway follow the plough rather than the plough the railway? Would the Canadian Pacific railway ever have been constructed had the vision of its builders seen only the population of the eighties? Would the Northwest be the Northwest of to-day, or the boundless and barren prairie of years ago, had it not been for the vision of statesmen and of railway builders who, with enterprise unparalleled, have carried their lines of railway to its uttermost parts, bringing colonization and civilization in their train? Situated as we are geographically, what has the opening of the West meant to the East? I say, Sir, that it has meant advantage incalculable. We have manifold return for the money spent in railway development, even though millions may have been needlessly and mistakenly expended. We are only on the threshold of our great adventure in the extension of civilization to the vast plains of the Canadian West.

Shall we stop now? Shall we lose courage upon the very verge of success? Shall we lose sight of the millions of population still to come? As for me, I have an abiding faith in the destiny of this country. No other creed can permanently be in keeping with the spirit, the determination, and the aspirations of the Canadian people. Parliament, I am sure, will never be wanting in imagination in dealing with the larger problems of this great Dominion.

Now, Mr. Speaker, what is the existing railway situation in Canada? What is the situation with which this Government has found itself confronted? We have had to finish the eastern section of the National Transcontinental railway; the money has been found and will be found as required. The road is almost completed. The year before we came into power the late Government had taken a step which determined that the Canadian Northern railway should be a transcontinental system, by guaranteeing securities to the extent of $35,000,000 upon the line of the Canadian Northern Ontario Railway, from Montreal to Port Arthur. Construction upon this and other lines of the Canadian Northern Ontario was well advanced. There was then the action of the Government of British Columbia in guaranteeing securities upon the line of the Canadian Northern Pacific, which was then under way through the Rocky mountains from the Yellowhead Pass to New Westminster, a most expensive line, costing in some places $100,000 per mile. During our first year in office we granted a subsidy at the rate of $12,000 per mile to this line, and I say that if under any circumstances

whatever railway subsidies are justifiable, the subsidy of $12,000 per mile which we granted to the Canadian Northern Pacific in respect to its lines through the Rocky mountains, was abundantly justified. This brings me to the year 1913, a year of stress, a year of strain, a period of financial stringency the most severe—

An hon. MEMBER: Hear, hear.

Mr. WHITE: My hon. friend may laugh. I do not know whether he understands the severity of the financial stringency, the most severe, the most widespread, that has been experienced I believe during the lifetime of any member of this House. That stringency was due to world-wide causes which stopped the supply of capital at its source, the great international money centres, causing retrenchment and embarrassment to enterprises in all parts of the world. It was in this posture, in this extremity of affairs that the Canadian Northern Railway Company last year made application for aid by way of subsidy and the Grand Trunk Pacific Railway Company for aid made application by way of loan. The subsidy in the one case amounted to thirteen or fourteen million dollars and the loan amounted to fifteen million dollars. The subsidies were given by this Government and the loan was made. Had the Government not taken the action it did, railway construction must have ceased in Canada upon the two lines in question. What the result would have been to Canadian securities in London and, by consequence, upon Canadian credit and prosperity, I leave to the imagination of this House. There is no need to apologize, and I do not apologize for the action of the Government last year. I say that it was strong, courageous, timely, necessary action. Had it not been taken, those of the public who have criticised us for taking it would have to-day execrated us for not having taken it. In connection with these subsidies, we obtained stock in the Canadian Northern Railway Company to the extent of $7,000,000, par value. My hon. friend from Pictou (Mr. Macdonald), for whom I always cherish, as he knows, a high regard, the other evening indulged in some caustic witticism at my expense with reference to the issue of the stock certificate covering these 70,000 shares. I think he said that they had turned on the printing press.

Mr. MACDONALD: That is what the hon. member from Calgary (Mr. Bennett) said. I just adopted his statement.

Mr. WHITE: I thought my hon. friend had not only adopted it, but made it his own. If he has not made it his own, I will consider it withdrawn and will forget it.

Mr. MACDONALD: No.

Mr. GERMAN: Is not that what they did ?

Mr. WHITE: I will come to what they did.

Mr. CARVELL: They turned on the printing press later on.

Mr. WHITE: My hon. friend says that they turned on the printing press in order to print a stock certificate. I have had some experience with stock certificates; and as a general thing they are printed or engraved, so far as I know. I think my hon. friend will agree with me so far. Let us see what happened with regard to this issue of stock certificates for 70,000 fully-paid shares of the Canadian Northern Railway Company stock. There was absolutely no deception of this House on the part of either the Canadian Northern Railway Company or Mackenzie, Mann and Company. The Subsidy Bill showed as clearly as words could show the intention of the Government, the intention of Parliament, in the legislation relating to the issue of the 70,000 shares of the Canadian Northern Railway Company stock, that it was in part consideration of the subsidy which the Government was granting to the system. I am going to put on 'Hansard,' because this matter has been discussed very widely, and because some most unjust statements have been made respecting the Canadian Northern Railway Company with regard to the issue of this certificate, sections 8 and 9 of the Subsidy Act of last session, which is as follows:

8. No subsidy shall be granted under this Act unless and until there shall have been issued and transferred upon the books of the Canadian Northern Railway Company to the Minister of Finance and Receiver General of Canada, in trust for His Majesty, shares in the common stock of the Canadian Northern Railway Company of the par value of $7,000,000, which said stock and all rights appurtenant thereto shall be held for the benefit of His Majesty absolutely, and shall be deemed to be fully paid up, non-assessable and not subject to calls; provided that the said stock or any part thereof may be disposed of under the authority of Parliament upon such terms and conditions as it may determine and the proceeds of the sale thereof paid into the Consolidated Revenue Fund of Canada.

9. The Canadian Northern Railway Company is hereby authorized and empowered to issue and transfer to the Minister of Finance and Receiver General of Canada, in trust as aforesaid, from and out of the authorized capital

shares of its common stock of the par value of seven million dollars fully paid up and non-assessable and not subject to calls as aforesaid, upon the consideration of the Governor in Council undertaking to grant to the Canadian Northern Ontario Railway Company and the Canadian Northern Alberta Railway Company the subsidies referred to in section 2 of this Act upon the terms aforesaid, and such stock when so issued and transferred shall be deemed fully paid without further or other consideration.

What was the position? The Government of Canada gave $15,000,000 by way of subsidy to the Canadian Northern Railway system, and the Canadian Northern in part consideration issued $7,000,000 par value of fully paid shares of its stock. If any stock in the world was fully paid, that was, because it was paid in full in part consideration of the subsidy granted by Parliament to the Canadian Northern system. I wish to clear up that point, because a great deal too much has been made of it.

Mr. MACDONALD: Will my hon. friend go on record as telling the House and the country last year that the stock he was getting, apart from the technical interpretation of the Act, was entirely new stock that was to be issued, or that it was to be part of the stock already in existence?

Mr. WHITE: I certainly did not tell the House or the country that it was part of the stock already existing.

Mr. MACDONALD: You did not tell the House that it was not.

Mr. WHITE: The legislation was before the House. It was open to my hon. friends. Every section in the Act, including the two sections I have read, were discussed in committee. There was absolutely no mystery about the matter whatever; and it is unjust to the Canadian Northern Railway Company that it should be spread broadcast throughout the country, under the authority of so eminent a parliamentarian as my hon. friend from Pictou, that they had printed stock certificates and given illusory stock, because, as a matter of fact, the Parliament, of which he is a member, enacted that the stock was fully paid and issued as part payment for the subsidy granted by Parliament.

Mr. GERMAN: Was the $7,000,000 worth of stock issued to the Government part of the $70,000,00 that had already been issued?

Mr. WHITE: I do not know what my hon. friend had in his mind?

Mr. GERMAN: Did not my hon. friend have that in his mind?

[Mr. W. T. White.]

Mr. WHITE: I had this in my mind, that the Canadian Northern Railway Company was to issue this stock as fully paid, as set forth in the legislation already before the House.

Mr. GERMAN: Of that which had already been issued?

Mr. WHITE: The legislation is absolutely contrary to the views expressed by my hon. friend from Welland. He was in this House and the legislation was before him. The legislation expressly stated that the 70,000 shares were to be issued from the authorized capital. There is a difference between authorized capital and issued capital. There is not one word in the statute to say that it was to be from the issued capital; it was to be from the authorized capital.

Mr. MACDONALD: My hon. friend did not say that to the House.

Mr. WHITE: The stock certificate was issued in accordance with the legislation of Parliament. What I did say to the House was that the Government would hold one-tenth. There was $70,000,000 worth of stock outstanding; and if I had taken into consideration the additional $7,000,000 which we would receive, it would then be one-eleventh. That would be a difference of one-one hundred and tenth. If my hon. friend in his debates in this House will come within a fraction of one-one hundred and tenth of the truth, he will be doing much better that is usual for him.

What is the position to-day? The Canadian Northern Railway Company comes before the Government and shows a condition of affairs in which $100,000,000 is required to finish their line. Of this they have resources to provide $58,000,000, and they ask for a guarantee sufficient to produce the balance of $42,000,000. I desire to point out that this is the actual position of affairs. Here is a road in the condition disclosed in the financial statement which has been laid before the House. The Government has been confronted with a condition, not with a hypothesis. It is not very often that I tell a story in this House; but I believe it is allowable. When I consider the railway situation bequeathed by my right hon. friend for the solution of this Government, I am reminded of the story of a beneficiary of an estate the affairs of which were much complicated. She said: 'If I had known that we would have so much trouble with the affairs of this estate, I would much rather that uncle had never died.'

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. WHITE (Resuming): When the House rose at six o'clock, I was dealing with the railway situation with which we were confronted. I said that we had to deal with a condition and not a hypothesis. The Canadian Northern Railway system requires $100,000,000 to complete its enterprise. It is prepared to provide $58,000,000 and it has asked the Government of Canada to provide the additional $42,000,000 by guarantee of an issue of 4 per cent bonds of the par value of $45,000,000, which may be expected to realize in the neighbourhood of the required $42,000,000. The question, therefore, before the House is whether we shall grant the aid which is sought by the Canadian Northern Railway system or allow it to go into default. Let us consider for a moment the railway system in question. It has main lines extending from Quebec to Vancouver. It has feeders in almost every province. It has the constituent and subsidiary companies specified in the schedules to the resolutions, exceeding, I think, thirty in all, a system of railway, express, transfer, telegraph, steamship, land and tunnel and terminal companies. It represents at present 7,000 miles of railroad and when it is completed it will represent 10,000 miles. Upon this system some $300,000,000 of securities have been issued and it is to-day confronted, as I have said, with the necessity of obtaining further aid from the Government of Canada or a receivership. A system so vast and complicated as the Canadian Northern Railway system has necessarily involved itself with the vital interests of the country and we find iron and steel companies, rolling stock companies, supply companies, great mercantile and manufacturing establishments, all dependent in some measure, and some in large measure, upon the continuance of the immense activities of this system. The Canadian Northern Railway system has received sums exceeding $20,000,000 in subsidies, has received in guarantees some $130,000,000 from the federal and provincial governments, and has raised in the neighbourhood of $170,000,000 on its own securities. Almost every province in Canada has pledged its credit in connection with the securities of this road and therefore we have the situation that, by reason of the interest which they have in this system, the Dominion and provincial governments and the industrial and other establishments I have mentioned, are all vitally interested in this company and its system being maintained as a going concern. Of its securities there are hundreds of millions upon the London and European markets. It has done much to develop the West, and the West to-day is calling for more rolling stock, for better service and for extension of the Canadian Northern railway to the unsettled districts. The question, therefore, which we have to determine, and which the Government has determined, is whether this system, which is on the very verge of completion, shall be allowed to default on its securities and go into the hands of a receiver. I say that no thinking man in Canada can answer that question in the affirmative. I say it is unthinkable that the Canadian Northern railway, with these thirty subsidiary companies, railway, express, telegraph, steamship line and terminal companies, shall be allowed to go into the hands of a receiver, having regard to the interest that I have described of the Dominion and of the provincial governments in the road, and to the importance of the continuance of the activities of this system to all the manufacturing and business interests in Canada. Can the matter be allowed to stand for six months? I say the answer to that is supplied by the financial statement which has been laid upon the table. I say that prompt and immediate action by the Government and by Parliament is required in this matter. It is true that this road has been generously helped by the Dominion and other governments in Canada, in other words by the public, in the past. My hon. friend from Carleton (Mr. Carvell) this afternoon said that they had 'buccaneered' $200,000,000 out of the people of Canada. Well, they have not buccaneered any such sum out of the people of Canada since this Government has been in power. I would like to point out to my hon. friend that the late Government gave guarantees to the Canadian Northern railway to about $58,000,000. One of the last acts of the late Government was to give a guarantee of $35,000,000 upon the securities of the Canadian Northern Ontario line from Montreal to Port Arthur. That sum is only $10,000,000 less than the guarantee that we are giving to-day, so that if the promoters of this road have buccaneered the people of Canada out of $200,000,000, my hon. friend must assume responsibility

for his share of complicity in respect to the guarantees so given.

There has been a great deal of confusion of thought in this matter. Attention has been fixed upon Mackenzie and Mann. I desire to say that Mackenzie and Mann as individuals are of absolutely no interest or concern to this Government. If the question at issue related only to the advantage or disadvantage of Mackenzie and Mann the Government would not waste a moment upon it. The only basis of the action of the Government is the interests of the people of Canada, and I say that it is in the interests of the people of Canada that this system—the Canadian Northern with all its subsidiary and constituent companies, 7,000 miles of completed line, and, later on, 10,000 miles—should receive the aid which it seeks in order that the road may be completed. The personal vicissitudes of Mackenzie and Mann, enterprising railway builders as they have been, are of no interest to us; if no public interest were at stake there would be no basis for action on the part of the Government. I repeat that the foundation of the action of the Government in this matter is the public interest. It is in the interests of the people of Canada that this vast system should be completed, linked up, and made productive.

There is another consideration. Shall we allow the general credit of Canada to be impaired in the London market by default on the part of this railway company, and shall the provinces be called upon for their guarantees? That is a question of interest to every member of this House. I have heard men speak lightly of putting a system like this into a receivership. Considering the many classes of securities which have been issued by this company, ranking as they do in their several orders, I put forward the assertion that in the event of a receivership for this system it would be years before the road was on its feet again. Does any member of this House seriously say that a receivership of this complicated body of corporate enterprises could be carried out without enormous legal and other costs, and without a most injurious influence upon the business of this country as a whole, because you find this company's lines in every province, and I have explained that this Government and the provincial governments, and all the manufacturing and mercantile establishments of Canada, are interested in the continuance of the activities of this system. I sometimes think we do not realize how vastly complicated a system the Canadian Northern railway is. I say, therefore, that if any other solution can be found a receivership should be unthinkable, and I am glad that my right hon. friend the leader of the Opposition and the hon. member for South Renfrew (Mr. Graham) and other gentlemen opposite agree with me in that. I say, and they say, that the road must go on to completion in the interests of the people of Canada. In the case of a single corporation where no question would arise as to constituent or subsidiary companies a receivership would be serious, but it would be infinitely more serious where you have not one company but twenty or thirty to be dealt with under the slow process of a receivership. Only one thing could happen: The dispersal or disintegration of the whole system. Even with the Government as a receiver, as one hon. gentleman has suggested, damage beyond repair would be done to the credit of the company.

The Government has given the question prolonged and painstaking attention and consideration. I venture to say that no question that has ever come before a government of Canada has received more profound and more serious consideration than this application of the Canadian Northern Railway Company for aid. Upon a review of the whole situation, of all the considerations involved, we have come to the conclusion that I believe every thinking man has come to who has had the facts before him that it is the clear duty of the Dominion of Canada to come to the assistance of the Canadian Northern Railway Company. We were not without precedents for such action. As I have said, in 1911, the Government under the leadership of the right hon. leader of the Opposition gave the Canadian Northern railway a guarantee to the extent of $35,000,000 upon its line from Montreal to Port Arthur, and when they did that they cast the die that determined the Canadian Northern railway as one of the transcontinental systems of Canada. My hon. friend from Carleton talks about 'buccaneering' the country by getting these guarantees. Did he protest in 1911 against that $35,000,000 guarantee? Where, where was Roderick then? He may have been in the House, but he did not act like Roderick. So far as I can make out, he said very little.

My hon. friend the Solicitor General says he spoke eleven words. Well, sometimes silence is golden, and I am not sure that my hon. friend was not as wise in giving utterance to those eleven words as he was in his discourse of an hour and a half this afternoon, although I listened to him with much pleasure. What about the Grand Trunk Pacific?

Mr. CARVELL: All right.

Mr. WHITE: My hon. friend says 'all right.' What about the Grand Trunk Pacific? My hon. friend institutes a comparison between the cost of the Canadian Northern and the Grand Trunk Pacific. Does he know what the Grand Trunk Pacific will cost? How much will the Grand Trunk Pacific cost between Winnipeg and Edmonton? Will it cost from $45,000 to $50,000 a mile before it comes out of the construction stage? How much will it cost from Edmonton to Prince Rupert through the Rocky mountains? Does my hon. friend know that £14,000,000 Government guaranteed securities have been issued in respect of the western division?

Mr. MACDONALD: How much will the Canadian Northern cost?

Mr. WHITE: We will come to that. For a man of his appearance, ancestry, and place of residence, my hon. friend from Pictou (Mr. Macdonald) loses his patience upon occasion to an extent greater than we would have reason to expect. My hon. friend must cultivate the gift of patience because when I am talking about the Grand Trunk Pacific I propose to talk about the Grand Trunk Pacific, and nothing that the hon. gentleman may say is going to deter me from speaking about it. I was referring to the £14,000,000 mortgage outstanding on the prairie and mountain sections of the Grand Trunk Pacific. I am making no adverse comment, but I am pointing out, in regard to the $200,000,000 which my hon. friend from Carleton says was buccaneered from the people of Canada, that we have in connection with the Grand Trunk Pacific from Winnipeg to Edmonton guarantees by the Dominion Government at a rate not exceeding $13,000 a mile, and we have from Wolfe Creek, west of Edmonton to Prince Rupert, a guarantee equal to three-quarters of the cost of the mountain section, and that, with reference to these two sections, the Dominion Government have already guaranteed securities to the full par value of £14,000,000, or nearly $70,000,000. My hon. friend says 'all right.' My hon. friend should look at the cost of the Grand Trunk Pacific from Wolfe River to Prince Rupert. I think he will find—and I am not in any way criticising adversely the Grand Trunk Pacific or its construction, which is not pertinent to the consideration of the present question—that the cost of the construction of the Canadian Northern in the three prairie provinces and the cost of the construction of the Canadian Northern Pacific through the Rocky mountains will compare very favourably—more than very favourably—with the cost of the construction of the Grand Trunk Pacific from Winnipeg to Edmonton and from Edmonton, or Wolfe Creek, to Prince Rupert. My hon. friend will say that one is a better built road than the other.

Mr. CARVELL: How much did the Grand Trunk Pacific people put into the road themselves?

Mr. WHITE: I can tell my hon. friend. In addition to the guarantee of $13,000 a mile, the Grand Trunk Pacific people put in the balance themselves up to the cost, say $45,000 a mile, which it will probably amount to before it is taken out of the construction stage.

Mr. CARVELL: $45,000 when equipped?

Mr. WHITE: $45,000 a mile.

Mr. CARVELL: When equipped?

Mr. J. D. REID: No, not equipped.

Mr. WHITE: The Government of Canada has guaranteed securities to an amount equal to three-quarters of the cost of the mountain section. There is only one-quarter of the cost supplied by the Grand Trunk Pacific and that is the place where the cost is greatest. Then my hon. friend from Carleton probably knows that the late Government gave the Grand Trunk Pacific interest for seven years upon the securities issued with respect to the mountain section without recourse. Next year I must begin paying $1,500,000 or $2,000,000 per year at the rate of three per cent upon the Government securities outstanding in respect to the mountain section of the Grand Trunk Pacific. I do not know whether my hon. friend will apply the term 'buccaneering' to the assistance given to the Grand Trunk Pacific. If so, I would like to know how he differentiates it from the assistance which has been given, not only by this Government, but by the late Government.

to the Canadian Northern. Why is the one buccaneering and the other not buccaneering?

The Government has reached the conclusion that it is its clear duty to give assistance to this road and to meet its request for a guarantee of $45,000,000 for its completion. The hon. member for South Renfrew (Mr. Graham), in a speech the other day, favoured a loan instead of a guarantee. I think it was in his mind—I am not sure that he so expressed himself—that money could be raised by way of loan at a less rate of interest than it could be raised by way of guarantee. That is true. But I would point out to my hon. friend that the Government itself has to resort to the English money market from time to time and place issues of its four per cent or standard security. There is a market for a direct security of the Dominion that does not exist for an indirect or guaranteed security. That market is the trustee market of Great Britain because a Dominion security is a trustee security. The guaranteed security finds a little wider market, it appeals to a different class of investors who are not restricted to a trustee security, and the Dominion can offer its own direct securities on the so-called trustee market, which is a comparatively narrow market. There is a very much wider market for the guaranteed securities. Forty-five million dollars is a large sum of money and, having regard to the finances of the Dominion, it is very much better that the assistance should be rendered by way of a guarantee rather than by way of a direct loan. Even if such a loan were secured, the guarantee will be secured by the trust mortgage, as indicated in the resolution. The Government, therefore, reached the conclusion, as my right hon. friend the leader of the Opposition reached the conclusion, and, I think the majority of the members of this House—in fact I think every hon. gentleman in this House—reached the conclusion that some assistance must be afforded to this system, that it cannot be allowed to default not by reason of the fact that Mackenzie and Mann asked for aid but by reason of the interest that the people of Canada have in its completion and operation of the system. The Government having reached the conclusion that aid should be afforded, the question came up as to security. We have in this system a parent company, the Canadian Northern Railway Company, and we have all the constituents, railways, telegraphs, express, terminals, land, bridge and other companies mentioned in the schedule to this resolution forming part of the Canadian Northern system but not yet linked up, not joined, by amalgamation and not united by ownership of stock in the parent or chief company. My hon. friend the leader of the Opposition, in his speech the other day, made a point which was well worthy of attention. It was a point that would occur to any one thinking of the matter earnestly, as no doubt he did—to any one familiar with railway questions. He said: Why not amalgamate all these companies? Why not a physical amalgamation, why should these properties not all be under one single ownership? That was a very important and proper question for my right hon. friend to ask. My hon. friend the Solicitor General gave a number of reasons why that was not feasible. There is a reason which, I think, he overlooked, and which, I submit, to my right hon. friend. All these companies have done their financing to a certain extent separately, and a number of them have bond issues outstanding secured by trust mortgages upon their assets and undertakings. Some of these bonds have been issued, and some of them remain to be issued, under the provisions of the trust mortgages under which they were created and under which they may be issued. It will be obvious to my right hon. friend that if we should amalgamate in a physical sense all these properties we would immediately confuse the financing, the security would become mingled and it would be impossible to issue, on behalf of certain companies bonds heretofore authorized but not yet issued, because the mortgage securing the perpetual debenture stock of the Canadian Northern Railway Company which constitutes a charge upon its whole undertaking—the widest word in company law would at once attach to all property conveyed to the Canadian Northern Railway Company. Therefore, no matter what may be done in the future, it is impossible at the present time, having regard to the existing financial situation, to physically amalgamate these properties. The Government did the next best thing; the Government did what alone could be done; the Government insisted that the Canadian Northern, the parent company, should get into its treasury the capital stock of all these constituents and subsidiary companies. There has been a good deal of talk of watered stock and reflections have been cast, I will not say upon the good faith of gentlemen on this side of the House, with regard to the ar-

rangement outlined in the resolution as to getting in the stock of these subsidiary and constituent companies. Let me call attention to something that has been overlooked; paragraph 14 of the resolution reads:

> No shares of the capital stock of the respective companies mentioned in the first schedule hereto, other than the Canadian Northern, beyond the amounts heretofore issued, shall be issued without the consent of the Governor in Council.

I call the attention of the House to that. All these companies, or most of them, at all events a number of them, have authorized stock issues, and I pointed out to the House last year that if there is one respect in which the Parliament of Canada, in my judgment, has been lax, it has been in permitting the overcapitalization of railway companies. Both sides of the House are responsible in a large measure for that. There has not been the attention, and thought, and judgment, given to the question of how much capital should be allowed to a railway company, as there ought to have been, and in the result some of these constituent companies have had a very large authorized capital, the balance of which they could have issued in the future as they have issued what is now issued in the past. I say that paragraph 14 of the resolution which I have just read is a long step forward in legislation of this kind.

But, in addition to that, what has been done? Stock to the amount of $68,000,000, in constituent and subsidiary companies, has been brought into the treasury of the Canadian Northern. My right hon. friend (Sir Wilfrid Laurier) says: Does not that stock exist? It does exist. Each company is an entity; its issued stock exists and will be in the treasury of the Canadian Northern. I have called the attention of my right hon. friend and others to the fact that no further stock can be issued without the consent of the Governor in Council, a most wise provision of this legislature. What is the position with regard to the stock that is in the treasury of the Canadian Northern Company? That stock, as long as it was outside the treasury of the Canadian Northern Company, would belong to holders other than the Canadian Northern Railway Company, and might in time get into the hands of the general public. Let us assume it was watered stock. The argument against watered stock proceeds largely upon the line that the public having acquired the securities of a company which has issued watered stock, and assuming, as legally they would be entitled to assume, that this stock had been issued for valuable consideration, dollar for dollar, the public would say: we are entitled to dividends upon this stock. No such argument arises if the stock does not get into the hands of the public. The whole argument against watered stock proceeds upon the basis that the public, getting the watered stock and paying for it in the stock markets of the world, claiming to be entitled to receive dividends upon their stock. This $68,000,000 or part of it might get into the hands of the public. We have closed that door. The $68,000,000 of common stock of the constituent and subsidiary companies goes into the treasury of the Canadian Northern Railway Company to stay there. Further, the capital of the Canadian Northern Railway Company is fixed at $100,000,000 subject to a proviso which I shall refer to later on. The owners of the $100,000,000 stock would own the stock in the constituent companies in a sense, because it is the treasury of the Canadian Northern Railway Company, but legally they do not own it because the company is different from any and all of its shareholders. What I mean to say is that, in substance and in fact, the shareholders of the company would own the stocks that were in the treasury of the company. Now you have $145,000,000 of stock in the Canadian Northern Railway Company and in its constituent and subsidiary companies at the present time, all of which might get into the hands of the public, but, under this legislation, $68,000,000 of that stock goes into the treasury of the Canadian Northern Railway Company and cannot get into the hands of the public, and $40,000,000 comes to the Government of Canada and cannot get to the public. So that, instead of $145,000,000 stock, watered or otherwise, which might get upon the markets of the world, you have at the present time $60,000,000 which could so get into the hands of the public, the Government of Canada having the balance, to wit, $40,000,000 of stock.

Some hon. gentlemen have asked: why is the Canadian Northern railway financed through individual and separate companies? Well, Mr. Speaker, that is as plain as noonday; there is no other method under which they could have financed. Let me explain. The Canadian Northern perpetual debenture stock is secured by a trust mortgage which constitutes a charge

upon the entire undertaking of the Canadian Northern Railway Company. The word 'undertaking' is the widest word known in company law; it embraces all assets, real and personal, effects, franchises, rights, privileges and appurtenances of every kind. Supposing the Canadian Northern Railway Company, which to-day has its perpetual debenture stock, out on the market and elsewhere, charged upon its undertaking, desired to finance, let us say, the purchase of rolling stock, or the construction of terminals at Port Arthur, or any other of the enterprises which are at present owned and operated by its constituent and subsidiary companies. If the Canadian Northern Railway Company acquired a site at Port Arthur on which to build a terminal elevator, at once that land becomes subject to the charge created by the mortgage securing the perpetual debenture stock. How can they issue perpetual debenture stock in respect of it? The mortgage attaches not only to present property —to property at the time the mortgage was made, but to all future property, as those mortgages do. Then how is the financing done? The perpetual debenture stock of the Canadian Northern Railway Company may be issued according to mileage, as described in the trust mortgages securing it, and subject to certain prior charges which are mentioned; It may also be issued to the amount of the purchase price of securities which have been purchased by the company and lodged with the trustees. Suppose that terminal elevators are built at Port Arthur and they cost, let us say, $2,000,000. A company is incorporated which owns the terminal elevators. A bond issue is made for $2,000,000 representing the cost of the site and of the construction of the elevators. These bonds are not saleable. You cannot go on the market and sell $2,000,000 worth of bonds of a terminal elevator company in respect of an elevator which has just been constructed, and where the par value of the bonds represent the whole or nearly the whole cost of the elevator. But the Canadian Northern perpetual debenture stock is a standard security listed upon the London market; and by creating a separate terminal company and by the Canadian Northern purchasing those bonds of the terminal company at par and lodging them with the trustees as additional security for the debenture stock, further perpetual debenture stock can be issued against that security to the like amount, and as a result the money is obtained that has in reality built the terminal elevators.

My hon. friend from Carleton (Mr. Carvell) dwelt upon the subject as regards rolling stock financing. He admitted that it was justifiable to finance by a separate company in the case of rolling stock. It is quite simple. If a railway company, which has a mortgage such as I have described on all its undertakings, real and personal, buys rolling stock, and uses it upon its system, so that the ownership vests at once in the railway company, the mortgage immediately attaches and the railway will be unable to finance for its rolling stock. Therefore a rolling stock company is created; rolling stock is purchased from the manufacturers of rolling stock and vested in the rolling stock company. The rolling stock company makes a contract with the railway company under which the railway company undertakes to buy the rolling stock on what is known as a conditional sale agreement, each payment embracing a certain amount of interest and a certain amount of principal, as stated by my hon. friend the Solicitor General. I have used the term 'a conditional sale agreement.' What is the condition of the sale? The condition is that the property does not pass from the rolling stock company until all the payments have been made by the railway company. When the railway company has paid all the instalments, including both principal and interest, then the rolling stock belongs to the railway company and the transaction is cleaned up. How does the rolling stock company finance? It issues its debentures, usually in series. They are secured upon these conditional sale agreements which are pledged and hypothecated to a trustee as security for the rolling stock company's bonds which are sold in Canada, or New York, or London, or in other parts of the world. That is a very simple transaction. There is nothing mysterious about it. It is a well known expedient of railway financing; and so far as I can see, there is no objection to it in the world. It is the same with other subsidiary companies. I do not desire to enlarge upon the question; but the trust mortgage that the Canadian Northern Railway Company has made, which constitutes a charge upon everything present and future, securing its perpetual debenture stock to the amount of its authorized issue, would attach at once to any property that the company might acquire and prevent it from financing. The only way it can finance is through subsidiary companies, until such times as its earnings are much larger and

it is able to buy, as the Canadian Pacific railway does such of its rolling stock as it desires to buy. Whether the Canadian Pacific Railway Company finances in that way now, I do not know; but the Canadian Pacific Railway Company formerly created a subsidiary company, known as the Victoria Rolling Stock Company, and financed in exactly the same way. The same principle applies to all the other companies. You cannot sell four or five million dollars' worth of bonds of an express company. You can only sell bonds readily when the net earnings are something like double the interest. That is trite knowledge in this House. But you can get the same result if you take the bonds of an express company or of a telegraph company and pledge them with the trustees of a railway company which is authorized to issue its debenture stock, listed upon the London market in respect of securities so deposited.

I have been speaking of the question of securities, and I have shown that a physical amalgamation is impossible. I have shown that all the stocks will come into the treasury of the Canadian Northern; and that, instead of $145,000,000 which might be outstanding at some times in the hands of the public, only $60,000,000 can by any possibility get out.

There is one other point which I wish to touch upon, because I desire to clean this matter right up. I refer to the stock issue. It was stated: You are going to issue $25,000,000 more in exchange for income convertible bonds. That was held up as something extraordinary that the House should prevent being done. Let us see what that amounts to. Here you have $25,000,000 of income bonds in the hands of the public representing an indebtedness on the part of the Canadian Northern of $25,000,000. Suppose the holders of those bonds surrender them and get $25,000,000 stock from the Canadian Northern. Is there any man in this House who will say that that stock is not fully paid up? The indebtedness of the Canadian Northern has been reduced by $25,000,000, and it has issued its stock in order to accomplish that.

What is the difference between that transaction and selling $25,000,000 worth of stock at par and using the $25,000,000 in cash so realized for the purpose of redeeming the $25,000,000 worth of bonds? Therefore, so far as any criticism of that transaction goes, it is a mare's nest, pure and simple.

We have required of the Canadian Northern Railway Company that they shall combine all their securities and subsidiary companies under one company, the Canadian Northern; that is, all the stock of the outlying companies shall go into the treasury and that stock shall be divided as I have indicated. What further have we done? We have taken a charge, because the question of security arises next, upon all the stocks of the constituent and subsidiary companies that come into the treasury of the Canadian Northern. We have taken it in this way: Those stocks, which are not subject to any charge at present, are vested in the trustee and become part of the mortgage premises. The other stocks are at present subject to the perpetual debentures' mortgage charge, and, of course, I need not point out to hon. gentlemen in this House that the charge is not solely upon those stocks, but upon the whole undertaking of the Canadian Northern; nevertheless the stocks that I mention are part of the security which the perpetual debenture stockholders of the Canadian Northern Railway Company have. Therefore we can only get them under our mortgage and as part of our mortgage premises subject to the charge which has already been created. It is impossible to do more. We have done all that we can do, as far as obtaining a charge can be effectuated upon the stocks of the subsidiary and constituent companies specified in the schedules to these resolutions.

What more have we got? We have taken a charge, next after all existing charges and subject to the issue of such securities as are authorized to be issued under the mortgages securing them, upon the physical assets of the parent company, the Canadian Northern Railway Company. My hon. friend the Solicitor General pointed out quite justly the other night, and the argument cannot be evaded or eluded, that having regard to the fact that the Canadian Northern railway is spread throughout the prairie provinces and having regard to the fact that the Canadian Northern Ontario line runs a thousand miles largely through wilderness between Montreal and Port Arthur, if we had nothing by way of security except the charge upon the assets and undertakings of the Canadian Northern in the prairie provinces, we are taking a better security than was afforded under the $35,000,000 guarantee upon the first mortgage of security of the Canadian Northern Ontario line.

Mr. MACDONALD: It would exceed it by $9,000 a mile.

Mr. WHITE: No; my hon. friend is good at rhetoric, but bad at figures.

Mr. MACDONALD: I put the figures on 'Hansard' the other night.

Mr. WHITE: I know that, but that would not make them right if they were wrong before you put them on.

Mr. MACDONALD: You cannot prove that they are wrong.

Mr. WHITE: My right hon. friend gave a guarantee of $35,000,000 or $35,000 a mile upon thousand miles from Montreal to Port Arthur. I am not criticising him for it, but let me say that we did not then hear—at least I did not hear—of 'bucaneering' on the part of the promoters of the road. The matter seemed to have gone quite peacefully through the House, so far as hon. gentlemen opposite are concerned.

Sir WILFRID LAURIER: Unanimously.

Mr. WHITE: Well, we will say unanimously. I am always distrustful of measures in respect of which both parties are unanimous, but I accept my right hon. friend's word that it was unanimous. I would point out to hon. gentlemen opposite that $35,000,000 is only $10,000,000 less than we are giving, and was upon the line between Montreal and Port Arthur.

Mr. GRAHAM: First mortgage.

Mr. WHITE: First mortgage, I agree; but $35,000 a mile. I ask my hon. friend to look at the bond issuing powers of the Canadian Northern and to look at the mortgage securing the perpetual debenture stock of the Canadian Northern in respect of its lines in the prairie provinces and I ask him after he has looked at these to come back and tell me which is the better security. I know which is the better security; there is no question about that, but as a matter of fact it was intended that the different parts of the line should be linked up and that the line between Montreal and Port Arthur, 1,000 miles, should be joined up into a transcontinental system between Quebec and Vancouver.

Mr. GRAHAM: In addition to the first mortgage upon the line from Montreal to Port Arthur there was a general charge on the line from Ottawa to Niagara and then a guarantee of the Canadian Northern on top of that again before the Government would become liable.

Mr. WHITE: I agree with my hon. friend, but let me say that if this Government brought down the legislation which he brought down, with as little information as the Solicitor General says he brought down with it in 1911, and if this Government contended that the security was not only a first mortgage upon the line between Montreal and Port Arthur but a general charge upon another line between Ottawa and Niagara and then a guarantee of the Canadian Northern railway on top of that, I can well imagine how my hon. friend the member for Carleton, New Brunswick, would criticise the value of that guarantee. He would point out all the bond issues that he talked about to-day and he would say: This is held up as conclusive evidence that the security is absolute. I can just imagine the hon. member for Carleton cutting loose, to use a vulgar expression, upon such a situation as that if it had developed under this Government, but under the other Government, of course, he is mute and voiceless. As I said, it is a case of: Where, where was Roderick then? I am sure I do not know where he was; perhaps he himself knows where he was.

9 p.m.

We have, therefore, taken a charge upon the stocks; we have taken a charge upon the undertaking of the Canadian Northern proper. Further than that, this money is to be used for the purpose of completing several constituent undertakings, and the further provision is made that to the extent that this money is used for the construction and betterment and improvement of these constituent railways, a charge shall be taken back upon their physical assets, upon their corporate undertakings, to the trustee as part of the mortgage premises which we shall have as security for this $45,000,000 guarantee. In addition to that, we have insisted that the Mackenzie, Mann and Company, Limited, shall pledge as part of the mortgage premises $10,000,000 of stock of the townsite companies connected with the Canadian Northern Railway system.

The hon. member for Welland (Mr. German)—I am sorry that he is not here to-night, because he has a strong, vigorous, masculine understanding—spoke about taking a mortgage upon an insolvent concern, and I think the hon. member for Carleton also said something along that line. I would like to cite an illustration—and the hon. member for Carleton will appreciate the point as quickly as anybody will—

drawn from a situation that is close to the hon. member for Welland. Let us assume that the development of power by a great power company at Niagara Falls is to cost $10,000,000 before it is completed and becomes profitable or fruitful. Let us say that, by reason of some financial or other conditions, after expending $5,000,000 they find themselves unable to pay their contractors and to raise additional money, and have to seek assistance from bankers. If they do not obtain that assistance, what is their position? The enterprise is confronted with a receivership. But would anybody call that an insolvent concern? Would it not rather be said that if they could obtain the additional $5,000,000, the enterprise, would be able to pay the interest upon the cost of installation and possibly produce dividends upon stock? The cases are not quite analogous, but I would point out to my hon. friend that one reason and one justification for our action so far as security is concerned is this: that if by the joining up of these isolated or detached links of the Canadian Northern Railway system the Canadian Northern gets a transcontinental line with all its feeders in full operation, what at present looks like a losing venture may and probably will be turned into profitable enterprise. It is commonplace to remark that if you have a railway system consisting of isolated units scattered throughout a country as large as Europe, it is not to be supposed that you are going to get the earning power before these units are joined up; you do not get the earning power until they are all linked up and in this case it is to link up and to complete these undertakings that this aid is required. They cannot become fully productive: they cannot pay their fixed charges; they cannot yield any profit to capital invested in them; they cannot serve the people of Canada until they are all joined together and until the system is in operation as a transcontinental road, serving the people of Canada to the best of its capacity both as to through and local traffic.

My hon. friend from Carleton (Mr. Carvell) this afternoon drew attention to the list of securities which are held as collateral for the temporary loans. He called attention to the perpetual debenture stock of the Canadian Northern railway, and he said: Does anybody suppose that can be sold? I do not quarrel too much with my hon. friend for that remark, for this reason, that the situation has been that that stock and other securities of the Canadian Northern railway have not been saleable; they have not been saleable for many reasons. In the first place, there is the reason of the financial stringency of last year, and, further than that, it has become known that the Canadian Northern railway would require assistance from the Government before its enterprise could be completed. I point out that once the aid is given, once the road is on its way to completion, with the prospect of the earnings that its directors and management expect, this debenture stock, which has not lately been saleable, will become saleable. In other words, as soon as the credit of the system is restored, the collateral becomes available which in the recent past has not been available for the liquidation of debts. I pointed out to the hon. member for Carleton that, according to the balance sheet of the Canadian Northern railway of June 13, 4 per cent perpetual consolidated debenture stock of the Canadian Northern railway to the amount of $45,000,000 has been issued and is outstanding. My hon. friend is intelligent enough to know what that means. He knows that that has been the standard security of the road, and that that has been for some time on the market, and if the company could have continued to sell that security, in all probability it would not have been necessary for them to come here to-day.

Mr. CARVELL: If they could sell enough of it.

Mr. WHITE: If they could sell enough of it. But my hon. friend knows the market conditions well enough to know that they could not sell that stock all at once; it has taken them a long time to put that out. But the effect of the Government guarantee, insuring completion of the road, will be to make that perpetual debenture which in the immediate past has not been saleable again saleable, and consequently the temporary loans will be cleared up. The question has been raised: Who is going to spend this money that is to be raised by this $45,000,000 guarantee. I am quite sure my hon. friend could not have been in the House in 1911 or he would have asked that same question then. He wants to know why the Government should not spend it instead of the Canadian Northern railway or Mackenzie and Mann. It is going to be spent on the same principle as the money was spent under the mortgage which he approved as a member of this House in 1911.

Mr. CARVELL: Oh, no.

Mr. WHITE: The language is almost identical. I ask my hon. friend to look as I did this morning at the statute authorizing the guarantee of $35,000,000 per mile upon the line from Montreal to Port Arthur. He will find that in almost identical words, and in substance not in the least degree different. The same provision is in here as to the mortgage which is to secure this guarantee of security.

Mr. MACDONALD: How much more is against the enterprise now than then?

Mr. WHITE: My hon. friend knows that there is more against the enterprise now than then, but there is a greater mileage that has been completed since that time. My hon. friend must not think that the progress of Canada stopped in 1911.

Mr. MACDONALD: Pretty near, it has not gone ahead much this year.

Mr. GRAHAM: It is hesitating a great deal.

Mr. WHITE: I am dealing with the disposition of the proceeds of these guaranteed securities, and I say to the hon. member for Carleton that if he looks at the measure introduced by the hon. member for South Renfrew, then Minister of Railways, in 1911, he will find the words almost identical:

> The forms and terms of the new trust deed, and the times and manner of the issue of the guaranteed securities, and the dispositions of the moneys to be raised thereon by sale, pledge or otherwise, and the forms and manner of guarantee or guarantees shall be such as the Governor in Council approves, and such terms, provisions and conditions as the Governor in Council may consider expedient or necessary shall be included in the new trust deed.

What does that mean? It means that these moneys will be paid out for the purpose for which they have been provided according to the terms of this resolution, that they will be paid out according to the provisions of a trust mortgage which will ensure control of their destination in the hands of the Government. We pay out money from month to month under the Canadian Northern Ontario Railway mortgage which was given to the Government in respect of the $35,000 a mile guarantee on that line of which I am speaking. How is it done? All possible safeguards are thrown around it. I have taken great pains to inquire from the Railway Department how the inspection is made on the strength of which the certificates are given upon which the Finance Department acts in paying out these moneys in connection with the issue of $35,000,000 upon the Canadian Northern Ontario Railway line. The proceeds went into a bank, and have been checked out in the last two years. There are several millions lying to the credit of the account to-day which will become available in due course for the completion of the line in respect of which the guaranteed securities were issued. The inspecting engineer of the railway with the chief engineer goes carefully into the question of the cost of construction of the line. He sees the profile, he knows the quantities, he makes his calculation, he estimates that the line will cost so many million dollars, let us say $45,000,000, between Montreal and Port Arthur. The guarantee is at the rate of $35,000 a mile. Let us say that yields $31,000 a mile, because it is a three and one-half per cent security. Now, when $2,000,000 worth of work has been done on the construction of that line from Montreal to Port Arthur, the inspecting engineer certifies, after making his inspection, to the chief engineer. The chief engineer, after giving the matter his attention, reports to the Minister of Railways that $2,000,000 of work has been done upon that line; that the total cost of the line will be, let us assume, $45,000 per mile; that the proceeds of the guaranteed securities is only $31,000 a mile, and that therefore the road is entitled to have paid out of the proceeds standing to the credit of the Minister of Finance and Receiver General, thirty-one forty-fifths of $2,000,000. I ask if there could be any greater safeguard thrown by Parliament around a situation of that kind, that is if you can rely upon your officials? You have your inspecting engineer taking out his quantities, making his calculations, and saying that the road will cost so much, whether built by Mackenzie and Mann or by anybody else. You have, in addition to that, the chief engineer revising his work, and reporting to the minister and, finally, there is paid out only the proportion that the amount realized of that $35,000 of securities per mile bears to the actual cost, the $45,000 per mile which has been assumed to be the cost arrived at by the engineer. Therefore, so far as the destination of this money is concerned, hon. gentlemen opposite did not worry in 1911, and here are provisions identical with those of the statute of 1911, under which these moneys will be paid out. The same officials are going to make the inspections and reports.

Mr. CARVELL: The minister has very correctly described the manner in which the proceeds of the guaranteed bonds are paid out. Will he now describe how the company is going to pay out something like $31,000,000 or $32,000,000 of this money that is required to meet pressing liabilities at the present time.

Mr. WHITE: There are not $30,000,000 of pressing liabilities at the present time.

Mr. CARVELL: I tell the minister there are.

Mr. WHITE: The Solicitor General told my hon. friend this afternoon there were not.

Mr. CARVELL: No.

Mr. WHITE: I will take a ticket on the Solicitor General.

Mr. CARVELL: I would like some figures to prove it.

Mr. WHITE: My hon. friend is so bad at arithmetic that I might waste half an hour teaching him.

Mr. CARVELL: Teach the rest of the House then.

Mr. WHITE: They do not need it. My hon. friend from South Renfrew (Mr. Graham) does not need to be taught anything in arithmetic. My right hon. friend is a past master in the subject. He never dealt with figures at all, whereas my hon. friend from Carleton wasted an hour and a half this afternoon talking figures. Of course, he was mistaken throughout his computation. There is no sense in discussing figures unless you get a common basis; I might say $10,000,000 and my hon. friend $30,000,000 and we could go on asserting and reasserting without making any progress at all. I want to be serious now, although occasionally I am playful. My hon. friend knows there are temporary loans to the extent of $20,000,000.

Mr. CARVELL: I was not talking about temporary loans. There are $30,000,000 of debt.

Mr. WHITE: Then, you are all wrong.

Mr. CARVELL: No, I am right.

Mr. WHITE: This is the debate on the resolution, and when we get into committee I have no doubt at all that my hon. friend the Solicitor General will show my hon. friend (Mr. Carvell) without my aid, and if he needs it he will get it, that he is entirely wrong; that is, if my hon. friend keeps an open mind.

Mr. MACDONALD: You cannot show him now or any other time.

Mr. CARVELL: Describe the manner in which you are going to pay whatever is owing.

Mr. WHITE: My hon. friend had a fair field and no favours this afternoon. I did not disturb him in his discussion, and if he does not mind I am going to direct the course of my own speech. I do not say that in any offensive way, but when a man is making a speech of this kind the symmetry should not be marred by interjections even although my hon. friend may have no such design.

Mr. GRAHAM: Then there is trouble.

Mr. WHITE: I have dealt with the question of securities, and come now to the question of remedy upon default. Some hon. gentlemen have said: why do you not take security upon the stock? I need not tell the lawyers of this House that a creditor stands in a higher position than a stockholder, and that except for convenience it is not at all necessary to take the stock of any company for security. If I have a mortgage on a company's undertaking I do not care very much for the stock as security except that it is advisable to have the stock in order that I can take possession of the company, put in my own receiver, and operate the company with my own board of directors. That is the only advantage. The stock does not give any higher security, but it makes the realization of the security a little more convenient. What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction. And further—he will not mind this, coming from me—I take off my hat to the Solicitor General for the way in which he has performed the legal work in connection with this transaction, which is one of the most complicated that has ever come before the House.

Sir WILFRID LAURIER: Hear, hear.

Mr. WHITE: My right hon. friend says 'hear, hear'. I say it is one of the most complicated transactions ever dealt with in Canada, and necessarily so, and the Solicitor General deserves the greatest possible credit for the pains and surpassing ability he has bestowed on the legal work of this transaction.

Mr. LEMIEUX: Do not forget Mr. Lash.

Mr. WHITE: Mr. Lash has often been mentioned in this House, and considering our many years of friendship, I think it is only proper for me to say that there is not a more respected man in the city of Toronto than Mr. Z. A. Lash.

Mr. CARVELL: Nor an abler lawyer.

Mr. WHITE: Nor an abler lawyer in Canada. I was dealing with the question of remedy upon default, and was pointing out that we have a much better control than would be afforded by the security of a majority or all of the stock of the Canadian Northern. What have we? Upon default, the Order in Council at once becomes a rule of court, and is absolutely beyond question so far as its authority is concerned. We can displace the board of directors of any or all of the companies by directors of our own choice, who are given power to carry on the road as provided in the resolutions, and it is open to the Government through Parliament to deal with that road by way of sale or otherwise, as may be expedient and in the public interests. It can be sold in whole or in part to a corporation, or it can be operated in the interests of the public of Canada. I repeat there never was a simpler or more effectual method devised of realizing a security than has been worked out in connection with this transaction. The hon. member for Carleton says: Parliament will be lobbied, and you will not be able to deal with the property at all. I have greater faith in this Parliament than has the hon. member for Carleton, and if I had not I would still say this: A stream cannot rise higher than its source; Parliament is the supreme authority in this country, and if Parliament will not act, I have very little hope for the Canadian people. Parliament will act, and my hon. friend is simply begging the question when he says that Parliament will not act. I ask him, in what better form this transaction could be left, so far as the realization of this security is concerned, than by providing that the property of these companies shall be at the disposal of Parliament? What higher authority could we appeal to, or invoke? It is preposterous. We cannot raise ourselves by our boot tops. If we do not leave the supreme power of dealing with this with Parliament, where shall it be left? I do not know, and my hon. friend from Carleton does not know.

I have indicated the grounds upon which the Government decided it was its duty in the interests of the public of Canada to render aid to this road at this time. I have shown the security which we have taken, and mentioned the remedy in case of default. I now come to a further consideration, which I regard as one of the most important in the transaction, notwithstanding the opinions to the contrary of the hon. member for Carleton. My hon. friend from Carleton and some other gentlemen say that we should not have taken any of the common stock of the Canadian Northern because that at once makes us a partner. Before dealing with that argument, just let me say, in developing my discourse, that we get $33,000,000 of stock which we have exacted as consideration for our guarantee. The public would not believe at first that we had got that except by way of security, but we insisted that we should have $33,000,000 of stock outright as the property of the Dominion of Canada or of His Majesty in the right of this Dominion. Nothing of the kind has ever been done by a Government before except last year when we took $7,000,000 of stock in part consideration of the subsidies which we then granted.

Mr. CARVELL: Now you are paying $45,000,000 because of that.

Mr. WHITE: Let us see if that is so. My hon. friend says that because of that we are paying $45,000,000. In other words, a certain situation existed last year, we met it to the extent that we advanced $15,000,000, and yet my hon. friend says that by reason of the improvement which we effected in the situation we now have to guarantee $45,000,000 more. His argument can only mean either one of two things; it can either mean that he is not arguing logically or that the road should have been allowed to go into the hands of a receiver. It is to prevent such an alternative that we are coming to the aid of the road and giving a guarantee of $45,000,000.

Then, the most frequent criticism made of the action of the Government in granting this guarantee is that it is a partnership; they say you are going into partnership with Mackenzie and Mann. I am now directing my argument particularly to the

hon. member for Carleton, because I cannot direct it, in his absence, to the hon. member for Welland (Mr. German), who took a similar view. What is the status of a partnership? Is it community of interest, is it giving guarantees for subsidies that constitutes a partnership? Let us see how that works out. My right hon. friend the leader of the Opposition gave a guarantee of $35,000,000 to the Canadian Northern Ontario; my right hon. friend gave a guarantee of $13,000 a mile in respect to the prairie section of the Grand Trunk Pacific; my right hon. friend gave a guarantee of securities equal to three-quarters of the cost of the mountain section of the Grand Trunk Pacific, the total security on the prairie and mountain sections aggregating £14,000,000; my hon. friend made a loan of $10,000,000 to the Grand Trunk Pacific secured by a mortgage next after all existing charges, and in addition my right hon. friend entered into an agreement whereby the Government of Canada, as owner of the eastern division of the National Transcontinental, became lessors to the Grand Trunk Pacific railway. Is that a partnership?

Mr. McKENZIE: No.

Mr. WHITE: I think my hon. friend (Mr. McKenzie) is right; it is not a partnership, or, if it is a partnership, it is one of a limited character. If it is a partnership, it is a partnership as to loss only, and no consideration comes to the Government in respect to the building of the line.

Mr. McKENZIE: If I endorse a man's note and he fails to pay up and I have to pay the note, am I in partnership with him?

Mr. WHITE: Legally speaking, that is not a partnership.

Mr. McKENZIE: Certainly not. Why then claim that it is a partnership as to loss? It is no partnership at all.

Mr. WHITE: My hon. friend has a legal mind. I am meeting a perfectly captious criticism that is made with reference to this proposition. My hon. friend will agree with me that because we give $45,000,000 of a guarantee to the Canadian Northern we are not partners with Mackenzie and Mann. As far as he is concerned I have no quarrel; he admits that we are not in partnership with Mackenzie and Mann because we have given $45,000,000 of a guarantee. I am using the word 'partner' in the looser sense in which it is used by hon. gentlemen in this House, from which reports go out all over the country to the effect that the Government has become a partner with Mackenzie and Mann. Is the Government a partner, in the looser sense, with the Grand Trunk Pacific by reason of the consideration which I have mentioned My hon. friend (Mr. Mackenzie) will say 'no.' If the Government is a partner, it is a partner only as to loss. Take the Canadian Northern situation; the late Government and this Government guaranteed the securities of the Canadian Northern system just as the late Government guaranteed the securities of the Grand Trunk Pacific and the Canadian Northern Ontario. Partners as to loss up to the time we take stock. If the roads default we pay; we lose. We run the risk. If the Grand Trunk Pacific succeeds, who will benefit? I hope it will succeed. I have done everything I could, since I have occupied this position, to make it succeed. But if the Grand Trunk Pacific succeeds who will reap the benefit?—the Grand Trunk which owns $25,000,000 of fully paid common stock which it obtained in consideration of its guarantee. The Grand Trunk, under the legislation of my right hon. friend during the time of the late Administration, got $25,000,000 of fully paid common stock of the Grand Trunk Pacific in consideration of its guarantees to the Grand Trunk Pacific and my hon. friend from Carleton, endorsed, or at all events did not speak against that legislation. When the Grand Trunk got $25,000,000 of common stock for its guarantee equal to one-quarter of the cost of the mountain section and the remainder of the prairie section, should not the Government of Canada have got some common stock interest for its $13,000 a mile guarantee of the prairie section, and its guarantee of securities equal to three-quarters of the cost of the mountain section, in all aggregating over £14,000,000. What would have been the effect if the Government and people of Canada had got $25,000,000 of the fully paid-up capital stock of the Grand Trunk Pacific? Would that have been a partnership

Mr. OLIVER: Sure.

Mr. WHITE: My hon. friend from Edmonton (Mr. Oliver) says that it would have been a partnership. Does my hon. friend seriously say that such a partnership would be objectionable?

Mr. OLIVER: Sure.

Mr. WHITE: You have taken the risk; the Government stands to lose if the enter-

prise does not succeed and the other party would stand to gain.

Mr. CARVELL: You would have to meet that by charging higher freight rates.

Mr. WHITE: We will come to that in a moment. Before I get through I will have boxed the compass and the hon. gentleman will be fully answered. My hon. friend from Edmonton says that would be a partnership, and that such a partnership would be objectionable. He says that it would not be a partnership to guarantee $70,000,000 of securities, and my hon. friend from South Cape Breton could tell my hon. friend from Edmonton that the word 'partnership' could not legally be applied to this resolution. But if you come to apply the word 'partnership' to a proposition of this kind, it must mean that the Government gives everything and gets nothing. My right hon. friend the leader of the Opposition gave a guarantee of $35,000,000 to the Canadian Northern Ontario and got no common stock. The right hon. leader of the Government (Mr. Borden) gives a guarantee of $45,000,000 to the Canadian Northern, exactly the same thing, and gets $33,000,000 of common stock, and yet my hon. friend from Edmonton says it is objectionable. He says, in substance—that is the logic of his argument—there is no objection to your giving a guarantee, but I protest against you getting any common stock; I want Mackenzie and Mann to get the whole $100,000,000 of common stock. That is precisely what we do not intend to let them do. The people of the country are going to get 40 per cent of the fully paid up common stock, and Mackenzie, Mann and Company can have the 60 per cent of stock in the Canadian Northern and subsidiary and constituent companies. That must be regarded as a most laudable transaction on the part of this Government. Let me put it in this way: the only difference between a partnership and a non-partnership, on the argument that is put forward by the hon. gentleman, is that if the Government becomes entitled to share in the enterprise it is a partner, but if it only shares in the losses or risks of the enterprise it is not a partner. Then I ask: Will the hon. member for Edmonton, or any other hon. member in this House, stand up and affirm this transaction in every other respect, but say: Give back the $40,000,000 of stock to Mackenzie and Mann? I do not believe there is a man who will stand up and say: I affirm the transaction in every other respect; give back the stock; give your guarantees but by no means take this fully-paid common stock; we agree you should give the guarantee but thrust back upon Mackenzie and Mann the thirty-three million dollars of common stock. I tell you, you will make two hearts beat as one if you could induce the Government to do that; there will be two glad men in Canada if the thirty-three million dollars are thrust back upon them by a reluctant and unwilling government, and these two men are Sir William Mackenzie and Sir Donald Mann. But neither my hon. friend nor any other man dare stand up and tell the people of Canada that he affirms this transaction in regard to the guarantees and at the same time that he will not have placed in the Dominion treasury the forty million dollars of common stock.

The railway legislation of this country in the past has been fatuous in the extreme. I admire the enterprise of the Canadian Pacific railway. One of the most marvellous transactions in the history of the world was the carrying out of the Canadian Pacific railway in the eighties, linking up the East and West, rounding up Confederation and making it possible. These men had courage. But supposing the Government of that time, in consideration of what had been done for the Canadian Pacific Railway Company, had said: we will take forty million or fifty million dollars of stock in the Canadian Pacific railway, what would the result be to-day. Suppose the Grand Trunk Pacific should turn out to be the great success my right hon. friend prophesied for it when he brought down his legislation; suppose it come up to the vision of his imagination which he has told us of on more than one occasion, and suppose the right hon. gentleman when he brought in the legislation had said he would take for the Dominion treasury twenty-five million dollars of the stock of the Grand Trunk Pacific, would there be any wrong in his doing that? I think not. Let me say to my hon. friend from Edmonton (Mr. Oliver) that notwithstanding what he says about the undesirability of the Government of Canada becoming a partner with a railway company, the Government of Canada in a sense has become a partner with the Grand Trunk Pacific, and on a much more logical basis than the holding of common stock, because if he will turn to the National Transcontinental Railway agreement he will find that the Government of Canada appoints a direc-

tor on the Grand Trunk Pacific. Am I right?

Mr. OLIVER: Yes.

Mr. WHITE: And yet my hon. friend now holds up both hands in holy horror and says: do not be a partner with shareholders in these railway enterprises, but at the same time he defends the action of the Government of which he was a member in nominating a director of the Grand Trunk Pacific Railway Company. Surely we have reduced the argument about partnership to an absolute absurdity.

I say that the people of this country would never hear of the Government giving back this stock. If this enterprise succeeds that stock will become valuable; if this enterprise does not succeed notwithstanding the aid we are affording it, then of course we have incurred the risk and will have to take over the system. And if we did not take the common stock and it succeeded, the beneficiaries of our action which will enable the Canadian Northern to complete its enterprise, would not be the people of Canada—our action would result only in the aggrandizement of Mackenzie and Mann, the holders of $100,000,000 of common stock, $40,000,000 of which the Government is taking and leaving them $60,000,000. As I said, if our credit saves the road, then Mackenzie and Mann should not be the beneficiaries alone, but the people of Canada should share in whatever benefit will come to the stockholders in this great enterprise.

My hon. friend (Mr. Carvell) was greatly concerned about the freight rates and he said: it follows as the night the day that if you take this forty million dollars of fully paid stock of the Canadian Northern you are going to prevent the freight rates from being reduced. Remember, he is dealing with two situations: one in which we do not take the stock and the other in which we do take it. If we do not take it Mackenzie and Mann will have $100,000,000—

Mr. CARVELL: No.

Mr. WHITE: How much will they have?

Mr. CARVELL: I would give them about $10,000,000 of stock in that agreement.

Mr. WHITE: I did not think my hon. friend would be so generous as to give them $10,000,000 stock, but he was more generous to the Grand Trunk when he allowed them to get $25,000,000 in consideration of their guarantee. I am afraid my hon. friend (Mr. Carvell) is not consistent. His argument this afternoon went along the line: if you do take this stock then you are in a much worse position than if you do not; if you have the $40,000,000 of stock the people of Canada will be in a much worse position as to freight rates than if the Government did not take the stock. But if that were the only thing in the world that stood in the reduction of freight rates, I could understand some big Prime Minister of Canada saying: if our $40,000,000 of stock stands in the way of a reduction in freight rates then we can do several things with it: we can, for example, surrender it for cancellation if we want to. So that my hon. friend need not worry about the Government going to impose burdens on the people of Canada by holding $40,000,000 of Canadian Northern fully-paid up stock. And if that contingency does not arise which he dreads, then the Government of Canada will hold this $40,000,000 of fully-paid up stock in the Canadian Northern, and they will be able to take whatever benefits may come from that ownership. Then the hon. gentleman asks: What would happen if Mackenzie and Mann should come back? Well, there are the resolutions, and hon. gentlemen can interpret them just as well as we can. I know what power we have under these resolutions in case of default, in case of receivership, in case of the road being unable to carry on its enterprise. It means that the Government of Canada could at once enter possession of the whole line, to be disposed of as Parliament may direct at its next session. I say that this is the most progressive legislation that has ever been introduced into this Parliament affecting the giving of any guarantees or aid to any railway company.

Now, Mr. Speaker, when I started out I said I had been suffering from a severe bronchial cold, which has almost deprived me of the power of speech; but my hon. friend from Carleton (Mr. Carvell) seems to have stimulated me to super-exertion, and I have spoken at much greater length than I had originally intended. It only shows the resources of the human voice when it is properly exercised and in a good cause, as this is. I remember that the late Sir John Macdonald once expressively said that a parliamentary speech should be animated conversation. In the remarks which I have addressed to the House this afternoon I have been grave and gay by turns.

I desire now, at the end, to be serious

because this is one of the most important questions that has ever been before the Government or the Parliament of Canada. We realized that when it was first presented for our consideration, and, speaking for myself, and speaking for the Prime Minister, because I know the earnest, painstaking, and sleepless consideration he has given to this matter, I say that no question which has ever come up in Canadian politics has been given more full, more sincere, or more conscientious consideration than these resolutions which are now before this House. We have not had to deal with an hypothesis, we have had to deal with an actual condition. It is easy to criticise but it is hard to create, and the Government must take constructive action notwithstanding any criticism that may be brought against it.

I have shown what the enormous and far-flung activities of this tremendous railway system means to the Dominion of Canada; I have shown that it embraces over thirty companies, subsidiary and constituent; I have shown that it has 7,000 miles of completed line and 3,000 miles still to complete; I have shown numerous industrial companies in Canada are interested in its continuance—steel companies, rolling stock companies, manufacturing and other companies from Halifax to Vancouver—are all interested in the continuance of this great enterprise. It has involved itself with the very vitals of this country. Almost every province in Canada is upon its securities and concerned in its success. The Dominion of Canada has given no less than $58,000,000 of guarantees in connection with it, and between the Dominion and the provinces the people of Canada have paid over $20,000,000 in subsidies. I say that, having regard to this vast and complicated system, with its ramifications extending in every province of Canada, with the pressing demand of the West, as my hon. friend from Edmonton (Mr. Oliver) knows, for more rolling stock, for better service, for extensions to the newer districts, with all these conditions, it is unthinkable that the Government should allow a system such as this to go into the hands of a receiver, if it can be saved. It is not a question of Mackenzie and Mann; it is a question of the interest of the people of Canada. For months past the Canadian Northern situation has troubled the money market of London, affecting adversely all Canadian securities and stopping the sources of supply of capital needed for our many enterprises. It has hung like a cloud over the business situation in Canada, just recovering from the terrible financial experience of last year. The most severe financial depression that has ever been known in my time we are now merging from; and in due course I hope to see the normal activities of the nation resumed, as we have reason to expect, on the experience and analogy of the past. The sooner that this situation is cleared up, the better for this and all other Canadian enterprises. I am speaking not only as a member of this Government; I am speaking as a Canadian and, I hope, as a patriot. I am satisfied that the sober business sense of this House and of this country will approve the proposals of the Government as the best solution of a trying and most difficult problem.

Mr. W. A. BUCHANAN (Medicine Hat): Mr. Speaker, I have some hesitation in following the hon. Minister of Finance in this debate; but I have followed his extended remarks on the financial side of this agreement, and I expected that he would deal with that side of the question, because there is no doubt that, as the Minister of Finance, he should have a wide knowledge of the financial features of this agreement. But what I would like to have heard and what the country would like to have heard from his lips is a statement as to the financial capacity of the Canadian Northern Railway Company and the financial abilities of the men behind that company, because that is more important to the people to-day than the financial terms of this agreement. The Minister of Finance says that the Government inherited the Canadian Northern difficulties. I think that when the Minister of Finance left the Liberal party, he was anxious to assume all the inheritance possible from that Government. During the time he was a member of the Liberal party, I do not know that he ever offered advice to the members of that party that they should deal with the Canadian Northern railway in any other way than they did at that time. Yet he says to-day that we are responsible for the creation of this transcontinental line. Conditions have changed in the last four years. During the time that the Liberal party in this country was dealing with the railroad problem, this country was developing very rapidly, and we were assured in 1911, as I understand it, that once the thirty-five million dollars was given to the Mackenzie and Mann interests, they would be able to complete their transcontinental railway, and

that no further requests would be made. Since that time the Conservative party has come into power and the Canadian Northern railroad has made demands every year and those demands have been yielded to. The country has gone through a crisis, as the hon. minister has mentioned. He says that we are merging from it. I come from western Canada and I see no signs whatever of an emergence from the crisis of 1913. I think we are in just as serious a financial crisis now as we were a year ago; and I do not see that this Government is doing anything to relieve the conditions which exist throughout this country at the present time and which have existed for the last year or two. But I say that the Government lacks foresight in continuing to follow a policy in western Canada that has caused more or less stagnation. That condition is one of the reasons why the railroads are finding it difficult to make their lines profitable and to continue the work of building new lines, and why this railway is finding it difficult to continue the construction of this particular line. The Minister of Finance finds himself and the Government confronted with a condition of their own making. If I were to place the credit for this particular arrangement, I would place the credit at the door of the hon. member for Calgary (Mr. Bennett), and of the hon. member for Kingston (Mr. Nickle), who have started a revolt against the Government and have indicated to them that the public demands that, if anything is given to the Canadian Northern railway, something should be given in return. If it had not been for that movement on the part of the supporters of the Conservative party, the Government would not have had any arrangement of this character to boast of, although it is one which is not satisfactory either to members on the Government side of the House or to the mass of the people of the country. But I believe the creation of the desire to have an arrangement with the Canadian Northern Railway Company was started by the movement within the party, by the knowledge that the people did not want any more trafficking with the Canadian Northern railway unless the country got something in return out of that particular road. I do not think, however, that this Government has gone about the matter in such a way as to get what they should have got out of the Canadian Northern railway.

Before going any further, I want to give credit to the position taken by my hon. friend from Calgary, because he comes from a part of the country where railroads are in demand and where in the past we have made many sacrifices in order to get railway lines. I believe that the position taken by the hon. member for Calgary is the position of the western people. The Minister of Finance boasts of this partnership as though it were something to be proud of. I believe that the opinion of the people of this country is that there is nothing to be proud of in a partnership with Mackenzie and Mann or with the Canadian Northern railway, especially when it is a minor partnership in which we have no control over this concern owing to the amount of stock we hold. That is the objection I have to this partnership. I would rather have a partnership with the Grand Trunk railway, which is an old and respectable railroad corporation which has been in this country for years, and which has met the demands of the people to a very large extent. But, if I were to express my opinion of the Canadian Northern railway, and the way in which it has been financed, and the way in which its promoters have dealt with the people of this country, I do not think that my language would be parliamentary. The hon. member for Thunder Bay and Rainy River (Mr. Carrick) spoke of the hon. member for Calgary as a bucking broncho. As we know, bucking bronchos in the West are inclined to throw people; and I would not be a bit surprised that the attitude taken by the hon. member for Calgary and the hon. member for Kingston on this particular occasion would be very much the same as that of a bucking broncho, and that the Government might be thrown as a result of their particular policy on this question at this particular time.

I desire to state my views on this question as briefly as possible; but before doing so I would like to refer to the assertion of the Finance Minister that the Canadian Northern railway cannot wait for this aid for six months. I believe that if this Parliament had met last fall and this demand had been made, it would have been considered as an urgent demand and that the help would have been needed at that time. There is no question that the demand has been made for the last six months, and the Canadian Northern is still in existence, still doing the same construction work and still creating more debts throughout this country. I think that the people of this country are prepared to accept a delay of six months if it will enable them to get

more accurate information as to the financial position of the Canadian Northern railway and of the men behind it. The men behind this railroad claim that they are almost bankrupt, and the Government joins with them as junior partner and lends its credit for $45,000,000 and takes $40,000,000 of stock in a concern controlled by two or three men who are, might I say, of the Get-rich-quick Wallingford type. I object as a citizen of this country and as a citizen of western Canada to this country being linked up as junior partner with men of that type. My view is this: That if we have to assist this railway and if further money is to be voted for the completion of the Canadian Northern system, the best way out of the difficulty is either control of the stock or complete ownership of the system by the people of Canada. We were reminded by the hon. member for Kingston in his speech the other evening of the policy in 1904 of the then leader of the Opposition, the present leader of the Government, when he declared in favour of government ownership of railways. He declared that that was a proper policy, and now when the opportunity comes for him to carry out the policy which he then believed in, he links the people of Canada up as junior partner with the Canadian Northern railway when he could just as well demand control and ownership of the road for the people of this country. This promise is very much like other promises which the leader of this Government has made; it is a promise made to the electors and a promise which he is not prepared to carry out when the party
10 p.m. which he leads comes into power. I say that if this country is to be a partner with this railroad, it should be a senior partner; if it can be only a junior partner, it is better for Canada that it should not be a partner at all.

I want to say something along the line of what I consider to be the public sentiment with regard to the men behind this particular railroad—and I believe that the members on the other side of the House realize this. The sentiment of the people of Canada is that the men who control the Canadian Northern railway have made vast fortunes; that individually they are in strong financial positions and that they are ambitious to control and possess, practically to own, a transcontinental road. The people of Canada believe that those men should sacrifice their private fortunes in the effort to realize their ambition. This Government has not established to the satisfaction of any one in this House that the persons behind the Canadian Northern railway have made any attempt to sacrifice their interests in other large concerns in an effort to save this railroad. All they have done is to use their influence with this Government with a view to inducing them to take such steps as will save them and leave them in control of the stock of the company. Messrs. Mackenzie and Mann and others associated with the Canadian Northern railway have vast interests throughout this country, apart from the Canadian Northern railway. We know that they control the street railways of the cities of Toronto and Winnipeg. They control large coal mining interests on the Pacific coast and they are interested in large mines on the north shore of lake Superior. They are interested in the fisheries and in the timber of British Columbia. They have vast private holdings of real estate. They are interested in power companies and radial roads in the province of Ontario. They are interested in very large enterprises in Mexico and in Brazil. The conclusion of the people of Canada is that they should get rid of their other interests; and, if they want to retain the Canadian Northern railway and to save it from bankruptcy, let them save it by using the financial interests which they have in other concerns throughout Canada, and throughout the North and South American continents. That is my view, and I believe it is the popular view of the people of this country. Pressure should have been brought to bear on these men to force them to use all their private fortunes to save the road if they wanted to possess control of it, and if they would not do that, then if Canada was to give any assistance to the road, it should mean control and ownership of it. That is my position, and I desire to place it before the House, because I believe it is a position which represents the views of the majority of the people, at least of western Canada.

One feature of the arrangement proposed to be made by the Government with the Canadian Northern railway which is most disappointing to the people of western Canada is the fact that no provision is made for branch line construction. What we want in the West are branch lines, and in my view, if it was the intention to have a third transcontinental railway in this country, the Canadian Northern could have held back for some years the construction of that portion of their line

over the Rocky mountains to Vancouver. If they had devoted to the construction of branch lines in western Canada, the money which has been raised for the construction of that portion of the Transcontinental line, it would have been much better for this country, and would have meant a greater development of and probably more prosperity in western Canada. They might have waited until they had developed their branch line system, fed by the lines already constructed, and then, as they made that particular part of the system profitable, they would have been able to complete the main line to the Pacific coast by their own resources, practically without assistance from the people of Canada. I have had occasion in this House to point out the system under which the Canadian Northern operates with regard to projected branch lines in western Canada. I have told the House of the hardships which the men and women who have gone to that country have had to put up with by reason of the promises made year after year by the Canadian Northern Railway people to build branch lines and their failure to carry them out. The head of the Canadian Northern railway is the best promiser in the country; but I do not know of a man who fails to carry out his promises to the same extent as Sir William Mackenzie. When we are sitting in this House, when Canadian Northern railway legislation is before us, we have many requests to assist that legislation. We happen to be in control of things, and they come to us on bended knees and ask us to do certain things. Then they say what they will do in return. I am speaking now about the construction of lines. Last year I had occasion to see the head of the Canadian Northern railway and speak of the construction of a branch line which had been promised for a certain number of years into a country where people had been living and trying to develop land fifty, sixty and seventy miles away from a railway. I went to him and urged that something should be done to construct that particular line. His argument to me was: We have not the money, we are trying to get it—practically telling me that if I supported that particular measure, they would do something on that particular line. That might be the interpretation of his reply. I find that they got the money and did nothing whatever in regard to the construction of that particular line. What the people in my part of the country want to know from this Government is: With this $45,000,000, do they intend to do something for the construction of branch lines where they are absolutely needed and have been promised for some years? That is the position I take on this particular question, which is a vital one with my people and with the people of southern Alberta. The head of the Canadian Northern railway is very anxious to meet our wishes when we were at Ottawa. But I want to point out the position taken by that gentleman when we are away from Ottawa. Petition after petition, signed by hundreds and hundreds of the people in that particular district, was presented to me. I forwarded these petitions to the president of the Canadian Northern railway. I happened to attend a demonstration there last July, between sixty and seventy miles away from any existing railroad. There were over 1,200 people in attendance at that particular demonstration and I think I can safely say that ninety per cent of them were fifty miles away from a railroad. They were in a district through which a Canadian Northern railway branch line that had been promised from year to year would go. I had a photograph of that group taken which I sent to Sir William Mackenzie with a letter saying that these people were gathered in the part of the country which the Canadian Northern Railway Lethbridge-Maryfield line would serve, 1,200 people, the majority of whom were fifty miles from a railway. I have not yet received an acknowledgment of either the photograph or the petitions. I point that out to show that the heads of the Canadian Northern railway are not showing any anxiety to serve the people of western Canada. The great anxiety they are showing is to complete a transcontinental road that will give distinction to Messrs. Mackenzie and Mann. I say that if they had abandoned the idea of completing a transcontinental railway, in so far as the line from Alberta through the Rockies to the Pacific coast is concerned, and had used the money devoted to that purpose to the construction of branch lines in Alberta and Saskatchewan, they would have been serving the people of Canada much better than by the transcontinental railway proposition, which could have waited for a while. We have been told that branch lines may be completed under this arrangement. My own judgment and the judgment of other speakers who have opposed this particular agreement is that prac-

tically all of this money will be required to complete the transcontinental railway; and I think I can say that during the time that the Canadian Northern railway has had the link between Alberta and the Pacific coast under construction the construction of branch lines in the prairie provinces has fallen off to a considerable extent. It seems to me that if they devote all of this money, as they will likely be compelled to devote it, to the completion of the transcontinental system, there will be very, very few branch lines placed under construction and that is the urgent matter, as I have said, in western Canada. Until the value of the Panama canal is established, the western route is of little service to the people of western Canada. I believe that eventually it will be important, probably the most important route for the Alberta farmer; but our outlet now is by the East, and if the Canadian Northern railway had adhered to the construction of feeding lines to their transcontinental line on the prairie and had carried the grain down to the head of the lakes for the present, they would have been serving the urgent need of the people of western Canada. As the hon. member for Kingston (Mr. Nickle) declared in his speech, the Canadian Northern railway commenced as a colonization road and if it had adhered to that purpose it would have been of greater benefit to the people of western Canada than by devoting all its energies in recent years to the completion of a transcontinental line to meet the ambitions of the promoters of that particular railroad. I would like to place before the Government the request that there should be some guarantee offered before this debate concludes that a portion of this money will be devoted immediately to the completion of branch lines now under construction and to the construction of branch lines that are absolutely needed in well-settled portions of western Canada. If they fail to do that it will be double evidence that all of this money will be required for the transcontinental railroad, and that there will be delay in the building of branch lines and in the development of western Canada. In this way the discontent which exists there at the present time will be developed to a very large extent because there is nothing that provokes discontent among the settlers of the western country to such an extent as lack of transportation facilities. There is nothing that will drive people out of the country more than the lack of transportation facilities. If branch lines that have been promised are not built, then settlers will lose confidence in Canada and in transportation companies, and in this way we may lose many citizens who would be valuable to this country. Since it will be said that this arrangement is to help western Canada, and some of the eastern members who support the Government will take that view, if they want to help the West they can help it in a better way than by providing a guarantee of $45,000,000 to complete the transcontinental project of Mackenzie and Mann.

I said at the beginning that I favoured government control or absolute government ownership of the Canadian Northern railway. I have had petitions from my part of the country since this matter came before the House, and the sentiment there seems to be in favour of government ownership. There is no question that the Canadian Northern railway as it exists to-day has practically been built by the people of Canada, and that it could not have reached the stage it has if it had not been for the assistance of the people of this country. Why should we give that road any more assistance unless we secure control of it either through holding a majority of the stock or by absolute ownership of the road. We have been liberal with the Canadian Northern railway; we have given them grants of money and land, and guarantees, and after telling us in years gone by that they would not come again they come to this House in 1914 and ask for $45,000,000 to complete their transcontinental. There is no guarantee that they will not come again next year, and the year after that asking for more. Why not deal with this proposition now by getting control of it? That is my view, and I believe it to be the view of those whom I represent in this House.

I am in accord with the position taken by the hon. member for Calgary (Mr. Bennett), and by other gentlemen who have participated in this debate, that a commission should investigate the finances of the Canadian Northern railway and of the men who are in control of it. The people of this country want to know exactly where we stand in our dealings with the Canadian Northern and exactly where the Canadian Northern stand, and whether the men behind that road have made fortunes out of its construction or not. Some people have talked about the benevolence and generosity of Mackenzie and Mann, of how they have made practically nothing out of the construction of this road; that their fortunes have been made in other enterprises. I believe that their fortunes did not com-

mence to develop until they went into railroad building, and after they went into that they were able to make investments in other enterprises and so increase their fortunes. A great many people in this country still cling to the idea, no matter how much it may be denied, that much of the assistance which has been given the Canadian Northern by the governments of this country, Dominion and provincial, has gone into other enterprises with which the Canadian Northern as a road was not related. We have had denials of that fact, but an inquiry into the finances of the road and into the financial condition of the men behind it, would establish whether that was true or not; whether all the money that had been voted by the governments of this country, Dominion and provincial, had gone into the construction of its transcontinental and branch lines.

As I said before, we in western Canada want railways and branch lines; but the people of western Canada are radical to a great degree and they do not want Canada to be tied up to any transaction that is not going to be in the interests of the people of this country. I believe that to be the view of those I represent, and I know that no legislation of last session was so unpopular with the people I met during recess as the $15,000,000 gift to the Canadian Northern. It was unpopular in a part of the country that needs railways, and if that is the case I believe this transaction will be even more so because it brings us into a junior partnership with men in whom the people of this country have more or less lost confidence; and unless we now get control of that road or bring it into the possession of the people of Canada I do not believe we are serving the best interests of this country by supporting the arrangement proposed in the resolution now under discussion.

Mr. F. F. PARDEE (West Lambton): I do not propose at this time to go particularly into the figures that have been quoted so many times by members on both sides of the House, but for a little while I want to review this matter in a general way. The manner in which this bargain was put upon the table of the House in the resolution now before us, appeals to my mind. I was very much struck by the speech of the hon. member for Centre Toronto (Mr. Bristol) in that nearly the whole plaint of it was that greater consideration should be shown to Mackenzie and Mann. With that statement I entirely disagree. It appears to me that the history of the Canadian Northern railway since its inception, during the many years they have come to this House and to the legislatures and municipal and township councils of this Dominion, has been one long train of consideration shown to Mackenzie and Mann. The Canadian Northern railway has been practically fondled and petted and nursed up to what it is to-day. Therefore, when an hon. member asks the House to favourably consider this resolution because Mackenzie and Mann should receive some slight consideration, it does appear to me, with all due deference, that that argument ought not to hold water for a single moment, seeing that every consideration that could be shown to human beings has been given to Mackenzie and Mann for the carrying on of a project in which they never put a dollar of their own hard cash.

The one thing this House has to consider is whether or not this bargain is a good one. The Minister of Finance may, if he sees fit, split hairs on the question of partnership. I am not going to quarrel with him along those lines, but, at any rate, there can be no partnership unless it is entered into for the sake of making profits; and from the information that has been laid on the table of the House it cannot very well be said to be a partnership because the Canadian Northern shows no profit at all in any of its branches. But it is a partnership in the sense that these two men in control of this great undertaking, with all its ramifications, have come to this House—as has been ably shown by the hon. member for Calgary, the hon. member for Kingston, and other members on this side of the House—and held up both hands and said: come and save us, without your aid we are absolutely gone. Therefore, the Government stands in the position of entering into a partnership with a concern that is absolutely broken. The Government are the rich people coming to the aid of the Canadian Northern railway at the present moment, and the more they put into that railway the more they will have to put in, in order to save their necks. That is the whole story, in short. How good are the promises and the statements that have been made by these men in times gone by? If I mistake not, the Minister of Finance stood in the same place last year as he did to-night, and what did he say: Mackenzie and Mann want $15,000,000 of a cash gift;

give them that and the road will be completed. The words are hardly out of his mouth before Mackenzie and Mann come back, and this time they do not want $15,000,000, but three times $15,000,000. Again they say that the road will be completed. I do not believe that $45,000,000 will complete the road, and I propose to give figures in support of that to-night; and if $45,000,000 will not complete the road we are going to have the same spectacle in this House next year. Mackenzie and Mann will come back with the same old story, the same statements will be laid on the table of the House and information will be dragged up by the hair of its head just as it has been to-day.

Ah, this splendid Government, this farseeing, astute Government, with all the acumen possessed by every one of its members, including the Solicitor General, have made a bargain with these people. A prominent part has been taken in this transaction by the Solicitor General, and a great many of the wisest people in this Dominion are wondering how such a head could carry all the knowledge he possesses.

The argument that has been put up by the Minister of Finance, and the one argument that he seems to base his whole case on, is that you must not appoint a receiver. Nobody says you should appoint a receiver. It is not necessary to appoint a receiver. We do say that there should be control of the stock of the Canadian Northern, and that the allied companies should be given into the hands of the Government, that the Government should appoint a majority of the directors, persons who are actually railway men and not contractors, and that the money should be expended under their supervision. There is no necessity of a receiver. Nobody is anxious to see the Canadian Northern go to the wall. I do not want to see the Canadian Northern go to the wall, but I do want to see it managed as a railway ought to be, instead of the money being squandered here, there and everywhere, and perhaps devoted to purposes extraneous to the railway altogether.

Hon. gentlemen say that they are going to get stock and mortgages on stock as security, and that they cannot lose. Of what value are the stocks that have been offered to the Government by way of security? Does anybody know? We have only security upon one property, and that is the Brockville road, upon which we get a first mortgage. I defy Mackenzie and Mann to stand on the floor of this House and tell us how many mortgages and encumbrances there are on the rest of the stock offered to us. I do not believe they know, because I do not believe they have a proper system of audit in their business. Mackenzie and Mann told us last year that $15,000,000 would complete the road, and if they tell us this year that $45,000,000 will complete it, to my mind that is the best evidence that Mackenzie and Mann know not where they stand themselves. This action is being taken by the Government wholly on their say so. There is an agreement, they say, but it has been drawn by two of the most skilful lawyers in the city of Toronto, who have inserted conditions which ought not to have been agreed to. Mackenzie and Mann are handing over stocks, the value of which nobody knows, and they are getting from the people of Canada $45,000,000 in cash. How much have the people of Canada already contributed to this Canadian Northern railway?

	Land. Acres.	Cash.	Guarantees.
Ontario	2,000,000	$ 1,825,000	$ 7,860,000
Quebec	.....	3,526,000	
Manitoba. ..	.....	641,000	24,408,000
Saskatchewan.	.....	.....	8,258,000
Alberta	.....	.....	8,719,000
British Columbia ..	.....	.....	33,175,000
Dominion. ..	4,000,000	28,354,000	104,746,000

From beginning to end the Canadian Northern railway has got out of the people of Canada, besides $70,000,000 from the rural municipalities, $337,100,000. Do they need consideration? Do they need still to be nourished? It only goes to show that if we had Mackenzie and Mann, practical railway men, as operators, and not as contractors, the road would have been completed and completed well, and the people of Canada would have been getting a return for the money that they had given to them. If you look at the list of securities which the Government is to get a mortgage upon, it would rather strike you that the Canadian Northern, coming and asking as they are, would give to the Government mortgages on all their assets. I am not talking of personal assets that they may have, but I should like to know why it is, that, when you look over the list of assets, contained in part 1 of the second schedule, the Toronto, Niagara and St. Catharines railway, a paying proposition, the Toronto, Niagara and Western railway, a paying

proposition, and the Inverness Railway and Coal Company, with a coal mine attached to it, a very paying proposition, are left out. Why is not the Government given the benefit of these securities and why is the Halifax and South Western left in which has never paid, and upon the bonds of which the Government has to pay $190,000 yearly interest ? Why not put them all in ? Why not come, if you come at all, with clean hands ? Why not come here and say: We will give you such securities as you like but we will take ample care that the good ones are retained ? They are allowed to select the securities which they hand over to this all-wise Government with all its business acumen. Why does the Government not get the rest ? Does the Government, as a matter of fact, know to-day just what Mackenzie and Mann have and what they could give, or have Mackenzie and Mann simply come and said: We will give you this, you can take it; we must have the money, and the Government capitulate and practically accept Mackenzie and Mann's terms ? That is exactly what happened.

What else happened ? We advance the money and we take the securities. But this money that they are asking for will not complete the road. Then what happens ? We take on, by reason of the money that we are putting in, a present indebtedness upon the Canadian Northern amounting to $312,000,000. We have to stand behind it in order to save the money the people of Canada are putting in. But we have to put somebody to operate that road in order that the money may be got out of it by proper operation, something that Mackenzie and Mann have amply shown they are not able to do. We have to go on and practically take hold of the road and operate it in order that there may be a chance of getting our money back. When you consider the fact that the moneys that are to be advanced and have been advanced, represent a liability for every man, woman and child in Canada of $26, with a benefit coming back of only $5 in the shape of worthless stock, you realize exactly to what length the Government of this country has gone. They say that $45,000,000 will complete the road. Now, Sir, as you will see by looking at page 42 of the blue-book, their floating liabilities are $10,408,000; there is due on construction $21,262,000; there is balance for completion $41,905,000; there are amounts owing to the banks, $20,703,000; or, in other words, for completion these people need absolutely $94,279,000. Even, if as good a mathematician as in his own mind the Minister of Finance is, can show me where he can pay up $94,000,000 indebtedness with a paltry $45,000,000, then I will take off my hat to him as he did to the Solicitor General. The figures are there and they cannot be got away from. It will take, to complete the Canadian Northern railway, $94,279,000, and yet Mackenzie and Mann are telling this Government, and this Government are attempting to tell the people of Canada, that $45,000,000 will complete the road. Why, it is the veriest buncombe; it is nothing more; it is nothing less. The Government know, and Mackenzie and Mann know better than the Government, that with this $45,000,000 they are dealing out one more sop to these railroad contractors, and the people of the country are getting in further and further, and that sooner or later they will have to take over the road and operate it themselves in order to save the money they have already put into it. The Government say that the $40,000,000, with the right they would receive by reason of any default that may take place, is better than $51,000,000. I say that the right of default cannot come until after three years, because the Government has guaranteed the payment of the loans for that period, and in three years Mackenzie and Mann may have squandered the road over again and the $45,000,000 with it. Why should not the Government now take control themselves, and put in a majority board of directors to operate that road? If the evil day is to come for the people of the Dominion why may not the people of the Dominion just as well, have the evil day come now, rather than give more money to Mackenzie and Mann day after day and year after year as they are doing. There is no sense in making two bites of a cherry in regard to this matter. By no method that the Finance Minister or the Solicitor General can devise can they make $45,000,000 do the work of $90,000,000, and by no method can you complete this railroad with the money that is now being given to it.

I repeat, Sir, that there ought to be a majority of this stock given to the people of Canada and that the people should operate the road. It is a well known fact that so far as Mackenzie and Mann are concerned, they are not railroad operators at all, and they admit that themselves. They are purely contractors in every sense of the word, and the operation of a railroad is not

in their line at all. I say, Sir, that to allow men who have not put one single dollar of their own money into this enterprise to have control of this stock is an absolute breach of faith on the part of this Government, and in permitting it they are not standing by the interests of the people. We have had cited to us to-night the advances that were made in aid of the Canadian Pacific railway in years past, and the Minister of Finance told us he admired the courage of the men who built the Canadian Pacific railway. So does everybody admire their pluck, but it must not be forgotten that the men of the Canadian Pacific railway proved to the country the faith that was in them because they put up their own money in it to as great an extent as they were able to, and they risked their all for that railroad. But far be it from Mackenzie and Mann to advance one single dollar of their own personal security, and in the agreement, as drawn with the Government, mighty good care is taken that Mackenzie and Mann should be clear so far as their personal securities are concerned.

In conclusion, I say, Sir, that the contract as drawn is not calculated to protect the interests of the people of Canada. I agree entirely with the hon. member for Calgary (Mr. R. B. Bennett) and the hon. member for Kingston (Mr. Nickle) and with those who have spoken on this side of the House, that in so far as the figures go they show to a definite conclusion that these people are involved to such a hopeless extent that I doubt if they know just where they stand themselves. I say that Mackenzie and Mann in coming to this House to-day are absolutely groping in the dark; they are asking for $45,000,000 knowing they will get it and knowing well that all they will have to do is to come back again and another advance will be made by this Government because the money already invested in the road—will have to be protected. That is my belief, and I say, therefore, and I cannot say it too strongly, that so far as this agreement is concerned it is bad from beginning to end. I say that Mackenzie and Mann are in all probability getting something for nothing. Again, I repeat, that in only one of those securities do we get a first mortgage, and that the securities taking them all in all are of no intrinsic value whatever. Mackenzie and Mann are not putting a five cent piece of their own money into the venture. They are afraid themselves to come in where they ask the people of Canada to enter. They have not the courage of their own convictions, and before one single dollar is given them under this resolution Mackenzie and Mann should be told in the strongest tones: if you say that $45,000,000 will complete the road; if you believe that the road when completed will be a paying proposition, then show your own faith in it by pledging your own securities, do not ask the people of Canada to get in and assume the whole load which is almost too heavy to bear now, while you, Mackenzie and Mann, keep out there and save your own hides; at least have the courage of men and show your own faith in the proposition.

[Mr. Pardee.]

On motion of Mr. Bradbury, the debate was adjourned.

On motion of Mr. Borden, the House adjourned at 10.40 p.m.

Tuesday, May 19, 1914.

The House met at Eleven o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 202, respecting the Grand Council of the Catholic Mutual Benefit Association of Canada.—Mr. Macdonell.

Bill No. 203, for the relief of Gustav Oscar Lindquist.—Mr. W. M. Martin.

JUDGES ACT AMENDMENT.

On the order, receiving report of Committee of the Whole on Bill No. 190, to amend the Judges Act, as amended—Mr. Doherty:

Mr. SPEAKER: After looking into this amendment carefully, I have decided that it is out of order, as it contemplates a larger expenditure of money than was provided for in the original resolution, which received the assent of His Royal Highness. The amendment reads:

5. Subsection (c) of section 18 of the principal Act is repealed, and the following substituted therefor:

(c) No judge of a county court shall receive any travelling allowance for courts or chambers held at the county town of the county or union of counties wherein he resides—provided, however, that this subsection shall not apply to any such judge residing at a town (other than the county town) at which the volume of court or chamber work done is established to the satisfaction of the Minister of Justice to be as great or greater than that done at the county town.

Therefore, for the reason given, I rule this amendment out of order. The question is now on the third reading of the Bill.

Mr. MACDONALD: Will not the Minister of Justice provide, by resolution, for the proposal which His Honour has just ruled out of order?

Mr. DOHERTY: I might be disposed to do that were it not for the fact that the proposed amendment, which I think ought to be passed, did not seem to meet the wishes of the hon. member for Richmond (Mr. Kyte), or of the hon. member for Pictou (Mr. Macdonald), I think. If the amendment is not going to remedy the evil complained of, it is hardly worth while resorting to new procedure to give effect to it.

Motion agreed to, and Bill read the third time, and passed.

RAILWAY LEVEL CROSSINGS.

Hon. J. D. REID (acting Minister of Railways and Canals) moved the second reading of Bill No. 204, to amend the Railway Act. He said: This this Bill is to renew the $200,000 per annum to be expended on level crossings. Somebody on the other side of the House has asked me for a statement as to how much has been expended each year. The total amount expended during the five years up to January 1, 1914, is $60,991.22. I will bring down a detailed statement later on. The hon. member for South Renfrew said he was quite willing to let the Bill go through if he had this statement.

Motion agreed to, Bill read the second time, and House went into Committee thereon.

On section 1—time extended:

Sir WILFRID LAURIER: What changes are made by this amendment in the law as it exists at the present time?

Mr. REID: There is no change in the law as it exists. This is simply extending the time for another five years from April 14 of the present year. There is to be no change in so far as the expenditure is concerned.

Sir WILFRID LAURIER: The provision which was made to assist in the work of the separation of grades expired on the 14th of April?

Mr. REID: That is the date.

Sir WILFRID LAURIER: And this Bill is to make provision for another five years?

Mr. REID: That is all.

Sir WILFRID LAURIER: Is there any change in the amount?

Mr. REID: No, the amount remains exactly the same.

Sir WILFRID LAURIER: Do I understand that during the past five years only $60,000 was expended?

Mr. REID: I called up the accountant of the commission this morning and asked him to give me a detailed statement of the amount expended each year. He told me that the total amount up to January 1, 1914, was $60,991.22. I thought the amount very small and could not understand how that could be all that was expended during five years, but he assured me that was the total amount expended from the time the Act was first passed. He promised to send me a detailed statement of the amount expended for each year.

Sir WILFRID LAURIER: I think the amount is very small. I would have expected a very much larger sum would have been expended. If my hon. friend will give us the information on the third reading, that will be satisfactory.

Mr. MACDONALD: I would assume that, by reason of the fact that the minister has introduced this Bill to amend the Railway Act, it is not expected that the Bill to revise the Railway Act will be proceeded with at this session. I think it would be wise that it should not be.

Mr. BORDEN: It seemed doubtful if sufficient time remained for taking up the consolidation of the Railway Act and amending Acts, and, as this is a matter that should not be neglected in the meantime, it was thought desirable to introduce this Bill so as to make provision for these crossings in any event.

Mr. OLIVER: With reference to the railway crossings of a city street, under what circumstances, and in what proportion is the cost of making the separation of grades provided for? On whose initiative is the undertaking to be done and afterwards what is the proportion of the cost? I am deeply interested in this matter.

Mr. REID: The municipality may make application to the Railway Commission to take the question up and decide whether a level crossing should be eliminated or not. The Railway Commission decide what proportion of the cost the municipality and

the railway shall pay. The Government pay a certain proportion also. The whole matter is entirely in the hands of the Railway Commission.

Mr. OLIVER: There are two railways coming into the city of Edmonton, the Canadian Northern and the Grand Trunk Pacific. I do not think the rights of way actually join, but they are very close together. They cross a number of streets. In providing for the separation of grades, would the two railways be treated as one, or would they have to be dealt with separately? The one work would make a subway under both.

Mr. REID: The Railway Commission really have full powers in respect to any city, town, village, or municipal district. Whatever decision the Board of Railway Commissioners may give is law unless it is appealed to the Governor in Council.

Mr. OLIVER: Is there any general understanding as to what proportion of the total cost is borne by the two parties?

Mr. REID: The Railway Commission decides that.

Mr. OLIVER: What is the precedent in the matter? I do not wish to suggest to the city of Edmonton that it make application for subways and overhead crossings, and then have the city stuck for a large proportion of the cost. I would like to have some idea as to what the understanding has been in the past, so that we may know what to expect in the future.

Mr. REID: I must confess that I am not really well posted with reference to what has been done in the past, but, as far as I can remember, the city makes the application. Of course, the railway may also make application. In that case the city would have to appear and be heard, and it would have to abide by whatever decision the Railway Commission might give. In so far as Edmonton is concerned, if it should appear that a subway would be in the interest of the city, the city would be the one to make the application. I am quite satisfied that the Railway Commission would do what was fair as between the parties.

Sir WILFRID LAURIER: It seems to me quite evident that either the Act is not what it ought to be, and the municipalities have not taken advantage of it to the extent that they should have done, or there have been more applications than the commission have been able to dispose of; because if, during the five year period which expired on the 14th April last, the expenditure by the Government for the removal of these level crossings has been only $60,000, the amount is absolutely insufficient, and shows that the Act has not been availed of as it should have been. I believe that in the case of Edmonton, the thing to do, as stated by the hon. acting Minister of Railways and Canals, is to apply to the Railway Commission to pass upon the matter. The commission simply orders the work and apportions the cost between the interested parties—in this case the city and the two railways—and the Government comes in with its share. I forget at the moment what is the share supplied by the Government, but my impression is that the Government pay one-third, the railway one-third, and the municipality one-third. It matters not whether the apportionment is made by the statute or by the commission. Though the procedure is easy and summary, the municipalities have not taken advantage of it. Perhaps it is that the commission has not been able to hear as many applications as are made to it. On the third reading my hon. friend should present a statement as to how many applications are now pending before the commission.

Mr. REID: I shall be glad to get that information.

Mr. GUTHRIE: The board has almost absolute control over these crossings, and can apportion the cost as between the railway companies and the municipalities, and can also order that a certain sum be paid out of the fund, which is not to exceed in any single instance $5,000. It is rather a surprise to me that the amount expended in five years is only $60,000. My city, on two occasions, made application under this statute, and, speaking from memory, we have received nearly $10,000 to build two subways, which were very expensive structures. The fact that there is so much expense in connection with an over-crossing or an under-crossing deters the ordinary municipality from making application, and the reason some municipalities do not apply is because the aid from the Government is limited. In Toronto they are building a structure over twenty-five streets, and surely the Government's expenditure this year alone will be more than $60,000.

Mr. REID: I was very much surprised when the accountant told me over the telephone that the expenditure had only been $60,000. I told him I thought he must mean the expenditure for one year, but he was insistent that it was for the five years. I shall have a statement prepared in detail as to the expenditure by the Government and by the municipalities, and the number of applications now pending before the board.

Bill reported.

ST. JOHN AND QUEBEC RAILWAY.

On motion of Hon. J. D. Reid, Bill No. 201, to amend the St. John and Quebec Railway Act, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

On section 2—agreement with Government of New Brunswick and the company:

Mr. CARVELL: As I understand this section, after the expiration of fifteen years the Crown is to receive forty per cent of the earnings of the bridges, worked out on the basis of the cost of the bridges as compared with the total cost of the railroad. Is that the idea?

Mr. REID: Yes.

Mr. CARVELL: If the bridges cost one-fourth or one-sixth of the cost of the road, they would receive forty per cent of one-fourth or one-sixth of the total earnings.

Mr. REID: Whatever the cost of the bridges may bear to the total cost of the road.

Mr. MACDONALD: How many bridges are to be built and what is the estimated cost?

Mr. REID: Three bridges. The estimated cost is a little less than three million dollars, but we put in three million dollars to be certain to have sufficient to complete the bridges. Tenders will be advertised for in public competition and the work will be carried out under the Department of Railways and Canals.

Mr. MACDONALD: Is the minister considering putting in wooden trestles and using train fill?

Mr. REID: I do not think so.

Sir WILFRID LAURIER: That is only done on the National Transcontinental.

Mr. MICHAUD: Is it the idea that the work cannot be started without the consent of the Government of New Brunswick?

Mr. REID: When this Bill is passed, negotiations must be entered into with the provincial Government in order to come to some understanding as to the new agreement that will be necessary. The Government will proceed at as early a date as possible to get matters into such a shape that they can go on with the erection of the bridges.

Mr. CARVELL: I do not know that it makes very much difference leaving subsection 1 of section 10 as it is, but there is certainly a good deal of verbosity in the subsection. I see that it leaves intact the provisions of the agreement; but, so far as that is concerned, I will allow the matter to go through, and, if necessary, on the third reading I will bring the matter again to the attention of the minister.

Mr. BORDEN: We will let the Bill stand for the third reading, and, if necessary, it can be referred back to the committee. The Bill was gone over pretty carefully by the law clerk of the House, and also by the Minister of Marine and Fisheries; and they assured me, when I looked over the Bill, that it was in proper form.

Sir WILFRID LAURIER: This legislation seems to be very sweeping, because practically the whole of the Act is repealed. Now, the Act contains certain provisions which, I believe, in view of what we have heard in regard to section 2 of the Bill, ought to be carefully considered. For instance, rates and tolls are to be considered under section 6 of the Act which reads as follows:

> The rates and tolls charged by the bridge company upon or in respect of any of the said bridges so aided shall, before being levied or charged by the bridge company, be first approved of by the Governor in Council.

That seems to be a very wide provision. As I understand it, the bridges are to be built by the Government, and for fifteen years the Government receives nothing. At the end of that period, they receive a certain proportion of the rates and tolls charged by the road. Section 6 of the Act provides that the rates and tolls shall be subject to the approval of the Governor in Council; but according to the Bill now before us, you repeal that section altogether.

Mr. REID: We own the bridges now.

Mr. CARVELL: I think it is all right, because the Government own the bridges now.

Sir WILFRID LAURIER: But the public is interested in knowing what the rates and tolls shall be.

Mr. CARVELL: But the bridge company has now power to charge any tolls whatever, because the bridges are taken out of the hands of the company and placed in the hands of the Government.

Sir WILFRID LAURIER: Are the bridges free?

Mr. CARVELL: They will be free for fifteen years. At the end of fifteen years the Government of Canada will receive whatever their proportion will be of the forty per cent of gross earnings, because, according to the original scheme, forty per cent of the gross earnings of the railway go to the Government of New Brunswick, out of which the Government pay the interest on the bonds guaranteed under this arrangement. As I understand it, that proportion of the forty per cent which would be the bridge company's proportion comes back to the Government of Canada. The remaining portion of the forty per cent, which would be about five-sixths, goes to the Government of the province of New Brunswick; and, after paying the interest on the bond issue, the balance goes back to the St. John and Quebec Railway Company. But our proportion of the forty per cent comes directly to the Government of Canada.

Mr. REID: That is exactly it. We have control of the rates.

Section agreed to.

On section 5—commencement of Act:

Mr. CARVELL: I must protest against this section. This raises the question that we have been discussing in New Brunswick for three or four years. We want this road built, and we want these bridges built. If section 5 goes through as now proposed, these bridges cannot be touched for a year. The province of New Brunswick is guaranteeing bonds to the extent of $7,000,000, paying it over to a lot of bright, shrewd Yankees in New York, who are using up what little is necessary to build the road, and are putting the balance into their pockets, or paying it out for political purposes. That railway is of no use without these bridges; and, if section 5 goes through these bridges cannot be touched for a year, because the legislature of New Brunswick will not meet until say March of next year.

Mr. BORDEN: Has the legislature prorogued?

Mr. CARVELL: Yes, and it simply means deferring this matter for a year. If a bridge across the St. John river is going to cost $2,000,000, it cannot be built in one year, or in two years. If the work is to be postponed for a year, it will take three or four years after that to complete the bridge, so that it will be four or five years before Grand Trunk Pacific business can go into the city of St. John. It is a fact that neither the Government of New Brunswick nor the Government of Canada will be justified in spending a dollar on this road if it is not for the purpose of opening up a highway from the West into the city of St. John. Of course, some money must be spent in building branch lines, but the idea is to build a through road, and, unless it be a through road, the province of New Brunswick will be bankrupt, because it will have $7,000,000 tied up in one road, and that will be a tremendous financial strain upon the province. Unless this road is so built that it makes a through highway for western business into the city of St. John and gives the people of the province something to do, I do not know what will become of the province. I wish I could make my hon. friends opposite realize the importance of this matter to the province from a financial standpoint. Very serious charges have been made in the provincial legislature regarding the construction of this road. I have made the statement here, and nobody has dared to deny it, that it is not a first-class or a second-class or even a third-class road that is being built. I do not believe it is the intention even to go to Grand Falls. I listened the other day to my hon. friend the Minister of Marine and Fisheries in regard to this matter; and, without cross-examining him, I thought we would have an opportunity of discussing the matter at the committee stage. I understood him to say that, according to Mr. Montserrat's estimate, $3,000,000 would be necessary to build the three bridges—one across the St. John river at or near Andover, one across the St. John river at or near Nistake, and one across the Kennebecasis river at or near Perry Point.

Mr. BORDEN: The Minister of Marine and Fisheries has been detained owing to

an important engagement. He is much more familiar with the object of this legislation than either the acting Minister of Railways and Canals or myself. Therefore, I would suggest to the hon. member for Carleton that we let the Bill remain in Committee until the Minister of Marine and Fisheries is able to be here, and then we can consider my hon. friend's suggestion as to the elimination of this section.

Mr. CARVELL: That is satisfactory to me. The whole gist of the Bill is contained in section 5, because, if this goes through and we cannot commence the building of the bridges for another year, it will be four or five years before they can be completed.

Progress reported.

DRY-DOCKS SUBSIDIES.

On motion of Hon. Robert Rogers (Minister of Public Works) the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair.

Resolved, that it is expedient to provide that the subsidy payable in respect of first-class dry-docks under section 8 of the Dry Docks Subsidies Act, 1910 (1910, chapter 17) be increased from three and one-half per cent to four per cent per annum of the cost of the work as fixed under the Act, during a period not exceeding thirty-five years.

Sir WILFRID LAURIER: Will the minister please explain this resolution?

Mr. ROGERS: This resolution is presented to meet the difficulties that are found in raising the necessary capital for the construction of a first-class dry-dock. Hon. members will understand that a first-class dry-dock is one that is not less than 1,150 feet in length, with a width of 116 feet and a depth of 37 feet. Under the old Act, the subsidy was based upon an amount equal to three and a half per cent of the cost of such a dry-dock. Section 8 of that Act provided:

The subsidy payable in respect of dry docks which have been constructed under this Act shall be—

(a) if of the first-class, a sum not exceeding three and one-half per cent of the cost of the work, as fixed and determined under subsection 2 of this section, each year during a period not exceeding thirty-five years from the time the Governor in Council has determined, under this Act, that the work has been completed.

Subsection 2 provides:

The cost on which the subsidy shall be calculated shall be fixed and determined by the Governor in Council, upon the recommendation of the minister, based upon the report of the chief engineer of the Department of Public Works, accompanied by plans and specifications of the proposed works, and such cost shall include the cost of all necessary equipment, machinery and plant, and any sum bona fide expended or to be expended by the company in the purchase of a site for the dry-dock, but shall not include the value of any site received or to be received by the company by way of bonus or gift; and the amount of the subsidy shall be so fixed and determined before the agreement for payment of the subsidy is entered into.

In view of the cost of money at the present time it has been found impossible for companies to undertake the construction of a first-class dry-dock on the basis of a subsidy of three and a half per cent, and it is proposed to increase it to four per cent. We have at present a crying demand from Vancouver for a dry-dock of first-class dimensions, and it is apparently impossible to get any company to undertake the work on a basis of a three and a half per cent subsidy.

Mr. CARVELL: I presume that I shall be correct if I understand the minister as saying that this applies to docks for which contracts have been entered into as well as for those to be contracted for in the future?

Mr. ROGERS: No; this applies to the future only; there is nothing retroactive about it.

Mr. CARVELL: Does not the hon. minister think it could be extended? For instance, take the case of the dry-dock at St. John. As he knows, a company is building a dry-dock, and I think I am safe in saying though I have no personal knowledge of the matter, that on account of the financial stringency about which we heard so much from the Minister of Finance last evening, they have difficulty in financing on a basis of three and a half per cent for thirty-five years. Would not he feel justified in extending this increased subsidy to the dry-dock at St. John just as though the work were in the future? It is true, the dry-dock has been commenced and a large amount of work has been done; but it seems to me it would be reasonable and fair, and in the public interest, that this should be made retroactive to cover the case of dry-docks in the course of construction. Let me point out another thing. The dry-dock in St. John, as I understand it, may not come under the head of a first-class dry-dock as the minister has described it or in commercial language. It is only 900 feet long, but they are building in Lévis, and I think on the Pacific coast, docks 1,100 feet long. Would it not be reasonable

for the minister to include the St. John dry-dock in this resolution and provide that it be made a first-class modern dry-dock in every respect? I hope he will see his way clear to carry out this idea.

Mr. ROGERS: The same conditions that apply to St. John would apply to other cases as well—to the case of the Montreal dock, for instance. And I do not see how it would be possible to stop even there. We should have to go back to other docks that have been subsidized under contract made with the Government and with Parliament. In the case of the dry-dock at St. John, we have there a reputable company, as I understand it, that has undertaken to construct a dry-dock and has made a definite and specific contract to carry out that work on the basis of three and one-half per cent. I do not see how it would be possible for me to recommend that we make this legislation retroactive. In the case of the St. John dry-dock, we have offered the contractors who have made a contract on the basis of a dry-dock of 900 feet that whatever amount a dock of 1,100 feet would cost, we will extend the contract on that basis should they desire it. I do not think it would be the part of wisdom to make the legislation retroactive, because as I have said, it would be impossible to stop at the case of St. John, but we should have to include the dock at Montreal and even go back to the beginning of the building of dry-docks. I do not think it would be possible.

Mr. CARVELL: I do not think there are as many lions in the path as the hon. minister seems to think. He is looking at this matter through distorted glasses. Not many dry-docks have been constructed under this Act. I do not think there is a first-class dry-dock in Canada, except the floating dock at Montreal. I speak subject to correction. I think the minister would not be violating any principle if he extended the scope of this resolution to include the St. John dry-dock. He says he will agree with the contractors to build a dock of 1,100 feet if they do it on the same basis as that on which they are now building the dock of 900 feet. But these terms are very onerous; the more docks you build on those terms the poorer you are. When you have a bond the interest on which is guaranteed for thirty-five years at three and one-half per cent, you have not a very saleable proposition under present financial conditions. When my hon. friend asks this company to extend their dock 200 feet under the present conditions, he is only putting them in a position to lose more money.

Mr. ROGERS: We did not ask them to do it.

Mr. CARVELL: When the people of St. John asks them to do it and my hon. friend comes back with this offer, it is only asking these people to lose more money than they are doing now. It seems to me that if the minister would make this retroactive so far as the St. John dock is concerned, he would give us in St. John the opportunity of having a really first-class dry-dock 1,100 feet in length, the same as those at Levis, on the Pacific coast, and, I believe, at Halifax. I consider that this is only a reasonable request and I still hope that, notwithstanding my hon. friend's rather pronounced views on the subject, he and the Minister of Marine and Fisheries will be able to get together and put St. John in the same position as these other great national ports.

Mr. ROGERS: The considerations that would apply to first-class dry-docks would also apply to second-class dry-docks, so that this would have to be done at Port Arthur, Montreal, Prince Rupert, Sault Ste. Marie, Toronto and St. John. But I do not see how it would be possible to carry out such legislation as the hon. member has suggested by reason of the fact that if we adopt any retroactive legislation it would have to be applied to all of these dry-docks.

Mr. LEMIEUX: I quite sympathize with the view taken by the hon. member for Carleton (Mr. Carvell). I do not know personally of the case at St. John except by rumour and by what is being published in the press. I know that this great dock will revolutionize things at St. John. The effect of the establishment of a floating dry-dock in Montreal by the Vickers firm has certainly been to improve the condition of our whole transportation system. As pioneers in that new industry, the Vickers are certainly entitled to preferential treatment, and I know that they are at present asking the assistance of the Government to recoup them for the very large expenditure which they have made in order to give Montreal and the St. Lawrence the benefit of their dock. Since the establishment of that floating dock many ships which have suffered accident have been repaired in Montreal. Still it has

not yet become a paying institution and I am quite sure that if the Government would apply the present legislation to the few cases which exist, making it retroactive for these few cases, it would be simply doing justice to the pioneers. I would like to put in a good word for the Vickers Company because they have certainly improved considerably the conditions of transportation in the St. Lawrence, and especially in Montreal.

Mr. ROGERS: We all appreciate what the Vickers Company have done in the construction of the dry-dock in Montreal which is giving, as I understand, entire satisfaction. At the same time in view of the fact that a strong company, such as the Vickers, have made a contract for the construction and operation of this dock, I do not see how we could fairly ask Parliament to amend the subsidy after the work has been practically completed and give them an advance on the subsidy for which they had already contracted to build the dock. It is true that there was an understanding, implied or otherwise, at the time they made the contract, that they were going to have the opportunity of building a navy for my hon. friends opposite in the city of Montreal, and that, in view of that prospective work, they made a contract for the building of a dry dock at a lower rate than they probably otherwise would have asked. I for one would be very glad, if possible, to amend the Subsidy Act in some way that would lend them assistance, because of the fact that their dock is giving entire satisfaction; but if you do that in the case of Montreal, why not in the case of Prince Rupert or Port Arthur or the Sault or Collingwood? That is the difficulty that confronts us. Otherwise I would be very glad to yield to the recommendation of my hon. friend, but I do not think it would be possible to do so.

12 noon.

Mr. LEMIEUX: The answer of my hon. friend is so far very satisfactory. I wish to say something, however, as to the suggestion thrown out by my hon. friend as regards the proposed Canadian navy. My hon. friend has supplied us with an excellent argument which was combatted by hon. gentlemen opposite when the discussion took place last year, namely that we were in a position to build a navy in Canada. Now, it is perfectly true that when the Vickers established their floating dock in Montreal, with their shipyards, they had in mind that, possibly in the near future, they would receive orders for the proposed Canadian navy. They were entitled to expect that, and if it is true that they believed that they would receive such orders. Is it not then surprising that the Prime Minister last year contended that for fifty years Canada would be unable to build ships? I remember perfectly the circumstances of the establishment of the Vickers shipyard in Montreal. They stated then, and they state today, that if the Government would live up to the expectations which were given in 1910, they would certainly undertake to build, not the dreadnoughts but the smaller cruisers which would be a part of the Canadian navy. I do not wish to start a debate on the Canadian navy, but I am glad to hear my hon. friend confirm the statement made by several members of the Liberal party last year that if Canada wanted a navy our own shipyards could build the vessels.

Mr. CARVELL: Perhaps it would not be out of the way for me to recall to hon. gentlemen opposite that what has been said about Montreal is true of St. John to a greater degree, because in the case of St. John there was a tender to build part of those vessels, and it was the lowest tender; and my hon. friends opposite had the deposit in their hands when they came into power, but they returned it. I have no doubt whatever that the promoters of the dry-dock in St. John believed—I happen to know they had very good reason for believing—that a portion of those vessels would be built in St. John. I happen to know, and I think the Minister of Marine and Fisheries and the Minister of Public Works know, that Norton, Griffiths and Company were working in conjunction with Cammell, Laird and Company, who were the contractors for the war vessels; and there is no doubt that the Government have obtained a better contract with Norton Griffiths and Company for the construction of the dry-dock and harbour works by reason of that company's expectation of building a portion of those vessels. Norton Griffiths and Company were influenced, no doubt, by a contract which they had with Cammell, Laird and Company for the construction of the war vessels. I have some knowledge of this, for I was present when the contract was drawn up between these companies, and I repeat that Norton Griffiths and Company

were largely influenced in their tender for the construction of this dry-dock and harbour works by the fact that they expected to work in conjunction with Cammell, Laird and Company for the construction of a portion of these war vessels. I believe the Government to-day has a much more favourable contract with Norton Griffiths and Company by reason of that expectation, which has not been fulfilled, than they would have got without it. I had not intended to refer to this, but as the Minister of Public Works has brought the question up, I give it as an additional reason why the St. John dry-dock and harbour should be treated as generously as the dry-dock at Levis, at Halifax, and the one on the Pacific coast.

Mr. HAZEN: I regret I was not here when this discussion commenced regarding the dry-dock at St. John, for which Norton Griffiths and Company have the contract, as I was attending a meeting of the Marine and Fisheries Committee. The contract at St. John included the dredging of the bay, the construction of certain dry-docks and the breakwater there, and the construction of a dry-dock which is being constructed under the Dry-Docks Act. Although they are constructing that dry-dock under the Dry-docks Act, in a sense, it is well known to the Public Works Department that Norton Griffiths and Company would never have entered into a contract for the building of a dry-dock if it had not been linked up with the other work I have mentioned. The contract calls for a dry-dock 950 feet long which, when completed, will be one of the largest in the world. Contracts have since been entered into for dry-docks at Levis, Halifax, and I think in British Columbia for dry-docks 1,100 feet long, and while the 950 feet dry-dock at St. John will probably meet all the requirements for a number of years to come, it might be wiser to make arrangements with Norton Griffiths and Company to extend it to 1,100 feet.

Mr. CARVELL: That is what I am asking for.

Mr. HAZEN: There is no doubt that Norton Griffiths and Company would not have entered into a contract for the construction of the dry-dock unless there had been linked up with it this other work, and all those who tendered for the other work knew that one of the conditions to be complied with was that they were also to construct a dry-dock at St. John under the provisions of the Dry-Docks Act. Consequently, when they were making up their estimate for dredging, building a harbour and piers, they had to take into consideration the fact that they were also required to build a dry-dock under the provisions of the Dry-Docks Act.

My hon. friend has said that if the Norton Griffiths Company had got the contract for building certain cruisers and destroyers they would have been built at St. John, but we have the statement of his leader that if the Government had proceeded with that policy those cruisers and destroyers would at the present time have been under construction at the city of Montreal.

Mr. CARVELL: Only a portion of them.

Mr. HAZEN: My right hon. friend made no exceptions. As a matter of fact, it has always been claimed by the representatives of the Canadian Vickers that they have assurances that the work will be given to them when they have completed their floating dock and shipyards at the city of Montreal.

Mr. CARVELL: There is no proof of that.

Mr. HAZEN: We have their assurances. My hon. friend's statement is certainly not in line with that of his leader that these ships would now have been under construction in Montreal. Certainly they could not have been under construction last winter at St. John, under the terms of the Norton Griffiths contract, because the shipbuilding plant at Courtenay bay could not have been ready for carrying on the work, no mattter how much expedition Norton Griffiths had shown. It is desirable that some arrangement should be made with Norton Griffiths and Company, if possible, to modify their tender so that the dock can be extended to 1,100 feet. That matter is now under consideration by the company and the Public Works Department. It will mean certain changes not only in the tender for the dock, but in the tenders for the construction of the whole work, because in figuring on the work they had in mind what it would cost to build the dry-dock over and above the assistance they could obtain under the provisions of the Dry-Docks Act. It would therefore, mean a reconstruction of the whole contract from first to last. Representations have been made by Mr. Norton Griffiths who is expected in Canada, I believe, in the course of a week or two, when, no doubt, the matter will be taken up.

Mr. CARVELL: I quite agree with much that my hon. friend has said as to the

harbour works being linked up with the dry-dock, and probably it would have been hard for any person to undertake the construction of the dry-dock if the other works had not gone along with it. I take full credit in so far as I had anything to do with the matter, and accept full responsibility for anything I did in connection with linking up these works. But my hon. friend missed the important part of my argument, which was that the tender of Norton Griffiths and Company was very much lower than any other tender for harbour work and dry-dock combined, and it was so because they believed they were going to build a portion of the cruisers and destroyers. For that reason the department are getting the work done cheaper than any other contractor would have done it for. Therefore, the Department of Public Works is getting this work done at a very much cheaper rate than any contractor would have done it for because, relying upon their contract with Cammel, Laird and Company, and believing that they would have the right to construct a portion of these works, the tender was very much lower than anybody else tendered for. I hope my hon. friend's statement is more than the ordinary polite way of getting around an unpleasant political condition of affairs when he tells us that Mr. Norton Griffiths is expected in Canada soon, that he has made application to the minister and that the minister is in hopes that some way may be found of working out this matter. It rather smooths it over for the present, but it does not help to improve conditions in St. John.

Mr. HAZEN: Why did you not make it a first-class dock, 1,100 feet long, when you asked for tenders?

Mr. CARVELL: Because a 900 foot dock at that time was considered a first-class dock. Now my hon. friends are going beyond that. Before this work is actually commenced, they have decided to put in an 1,100 foot dock. It is very much easier to have this dock built up to a higher standard by increasing the bond guarantee or the interest on the bonds than by rearranging the whole of the contract. I hope the Minister of Marine and Fisheries will consider this and see if he cannot induce the hon. Minister of Public Works to bring this dry dock under the Act.

Mr. HAZEN: When my hon. friend states that a more favourable offer was made by Mr. Norton Griffiths because of some visionary arrangement they had with Cammel, Laird and Company about other contracts, I can only say that I do not believe that to be the fact. I think I would have been informed by Mr. Norton Griffiths if that had been the case. After the present Government came into power the tenders of Mr. Norton Griffiths Company were reduced by about $250,000.

Mr. CARVELL: But you reduced the specification.

Mr. HAZEN: Without any change in the specification at all. The figures were reduced upon one item of $250,000, showing that the figure which was put in in the first instance was very high.

Mr. CARVELL: But my hon. friend must know that they changed the specifications of the breakwater.

Mr. HAZEN: They had nothing to do with the breakwater; they had to do with cribwork piers but not with the breakwater. That was another matter. They reduced their figures by about a quarter of a million dollars and my information is that the figures at which the contract has been awarded to them leaves them, provided proper methods are adopted, as good a margin of profit as is generally obtained by contractors on work of this description.

Resolution reported and concurred in.

Mr. Rogers thereupon moved for leave to introduce Bill No. 205, to amend the Dry-Docks Subsidies Act, 1910.

Motion agreed to, and Bill read the first time.

YUKON PLACER MINING.

On motion of Hon. W. J. Roche (Minister of the Interior), Bill No. 200, to amend the Yukon Placer Mining Act, was read the second time and the House went into Committee thereon, Mr. Blondin in the chair.

On section 1—owners of adjoining claims concentrating work on one or more claims,—s. 51 amended to facilitate such agreements between individual miners:

Mr. ROCHE: I explained when I introduced this Bill that it is intended to amend section 51 of the Placer Mining Act. Section 51 as it now stands provides that any number of claims owned by one individual company, or a group of individuals included in any registered partnership, may be grouped for operation, but it does not provide for any group of individuals who have not formed a registered partnership. This

amendment goes farther so as to enable a group of individuals to operate a number of claims by signing a document and producing it before the gold commissioner in which they assume severally and jointly all liabilities in so far as the operation of these particular claims is concerned but not in regard to such other things as a registered partnership would entail.

Mr. MACDONALD: Why do you dispense with some of the conditions which usually occur in a regular partnership? It seems that you are providing for some kind of a legal holding entirely apart from those relations which are recognized as existing in a partnership.

Mr. ALFRED THOMPSON: It was found that when the Act was put in operation it did not carry out the spirit of the law as it was intended. It gave certain privileges to large operators which were denied, under the construction of the Act, to the smaller operators and this clause is to remedy that apparent defect. In reading the original clause it is not easy to see where the difficulty occurs but it does occur under the ruling that the officers administering the law gave it in the Yukon. This clause has been drafted to remedy that difficulty.

Mr. MACDONALD: What is the legal relation to each other and what is the provision in regard to the creditors of the parties who have a holding of this kind?

Mr. THOMPSON: The legal relation in regard to these gentlemen who combine to group their claims under this proposed legislation confines their liability simply to the operation of these particular claims and does not proceed beyond that. It is a simple method of making it possible for small individual operators to group their claims in order to do the representation work. The law demands that $200 worth of work shall be done on each claim. This work is known as representation work and this clause is to make it possible for the individual owners to group their claims. If there are ten or eleven claims in one group, all that is necessary is to do $200 worth of work for each claim on one claim. The liability extends simply to the claims concerned owned by each group of miners.

Mr. MACDONALD: Would the effect be that with parties associated together in this way these holdings would only be liable to the extent of the interest of these parties in this property? Supposing the case of a creditor against the partnership for goods purchased or a case where a party had been injured—would he need to realize his claim out of that particular holding and would he be unable to proceed against them to recover out of any other property they might hold?

Mr. THOMPSON: That is the point.

Mr. MACDONALD: Why has this exception been applied to the Yukon?

Mr. THOMPSON: The idea is to confine the liability of these operators and to make an easy form of partnership which they can enter into for the representation work on these individual claims, and it was not thought desirable to extend the liability beyond that particular thing.

Mr. OLIVER: If a party of miners group their claims and the assessment work that is contemplated on one claim is not fully done, what happens? Do all the members of the group lose their rights or is there an apportionment of responsibility so that only those who did not contribute lose their rights?

Mr. THOMPSON: They are jointly and severally liable for the amount of work required to represent the group, and as this legislation is framed especially to meet their wishes, I fancy it would be incumbent upon each individual to satisfy himself that the necessary amount of work on the whole group was performed.

Mr. OLIVER: In case the mining inspector gave a decision that the work had not been performed, would all the claims concerned in that group be thereby forfeited?

Mr. THOMPSON: If the necessary amount of work was not done, the effect would be that the claims combined in that partnership would be subject to forfeiture. There is, however, a clause by which the original owners may, by doing certain things, get their claims back if through a technical error they place themselves in a position where they might lose their claims.

Mr. OLIVER: It would be well while the Bill is in Committee to have that point definitely settled and the minister might make a clear statement as to it. Would the whole claim be liable to forfeiture and what conditions would surround the recovery of rights.

Mr. ROCHE: The latter portion of section 2, referring to the partnership, reads:

Such agreement shall state the address within the Yukon territory at which the notice of cancellation, hereinafter referred to, may be served upon the said partnership; service of such notice at which address shall be good and sufficient notice to all parties to said partnership agreement and to all persons interested. Such permission, however, shall be subject to cancellation at any time by the gold commissioner, with the approval of the commissioner, after sixty days' notice to the persons interested, in case it appears from the report of the mining inspector or otherwise that the system of mining contemplated when such permission was granted is not being installed or operated with reasonable diligence.

I would gather from this clause that it would be subject to cancellation, if the operation of this particular group of claims is not pursued with reasonable diligence.

Mr. OLIVER: The department takes supervision of the work, and if it is not going forward, ultimately forfeiture would result. But under mining conditions, where property is valuable, the law is made plain so that everybody can understand and satisfy himself whether the requirements of the law are being fulfilled. Then, it is a thoroughly understood principle of the administration of the mining law that if the requirements have not been fulfilled by 'A' the property becomes available to 'B,' and 'B' forthwith insists upon his rights. If the minister says that on the failure of the joint representation work to be completed within the time and to the amount required by law, all the claims are forfeited and the rights of other men may be asserted in regard to these claims, that is a perfectly clear statement, and we understand exactly where we are. I may point out that it is rather a serious situation, and that it detracts somewhat from the advantage of the grouping, if a man who enters into a group is liable to lose his claim through no fault of his own and without his knowledge of the conditions that render him liable. As long as the law is understood by all parties, that is really the main thing, and after all it is not so much what is said in legislation as what is done in administration. It is not so much what the law says, as it is what the officer of the department says it says, that counts.

Mr. ALFRED THOMPSON: That is exactly the point. My hon. friend (Mr. Oliver) was Minister of the Interior when the law was first made, and it was thought to represent exactly what we in the Yukon intended, but when it was administered in the Yukon this defect cropped up and this legislation is to remedy it. There is a process of law whereby each of these individual owners shall be notified and have an opportunity of proving that the total representation work required by the section shall have been performed before their rights will be cancelled.

Bill reported, read the third time, and passed.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Consideration of the proposed motion of Mr. Borden that the House go into Committee to consider certain resolutions respecting the Canadian Northern railway, and the amendment of Mr. Macdonald thereto, resumed from Monday, May 18.

Mr. J. H. BURNHAM (West Peterborough): Mr. Speaker, notwithstanding the enthusiastic reception accorded me by my fellow members when I arose, I do not intend to go into this matter at any length. I would like, however, to say a few words upon what might be called the more general features of this question. The problem that presents itself at the present juncture to this Parliament and to the people of Canada is one not only fraught with very serious difficulty, but, with the natural fruition of errors committed in the past, which are gradually developing and coming to the surface, and which in course of time have been dealt with and dismissed from the public mind.

The whole system of Government, like the solar system, is proceeding towards the polar star of control. Hereafter there will be no such record on the part of the people of this country as there has been in the past of handing over the natural resources and the hard-earned savings of the people to financial buccaneers of any type whatever, that choose to foist themselves upon the Canadian people. One of the great privileges of belonging to the Conservative party and of serving under the distinguished Prime Minister of the present day is that of being able, nay, of being invited to express one's opinions freely. The only necessary qualification known in conservatism is that people shall speak their opinions with sincerity, having given the matter in question some thought, and with a sincere desire to serve the state. It was therefore with pleasure that we all listened to the hon. member for Calgary (Mr. Bennett) and the hon. member for Kingston (Mr. Nickle). These gentlemen have given

the very best that was in them to the service of the State, and they are thanked accordingly by the people and by this House. There can be no question that they have given a vast deal of thought to this question and that they have done admirably in that service. I am sure, whilst they may not be able to see eye to eye with us all, nevertheless, realizing the necessities of the situation and having made their protest, they will agree that in order to fulfil the purposes of party Government, it is necessary to fall in line at some time or other.

It is not by any means an admirable thing that an opposition or any other body of men should have so few ideas that they can be all knocked together in a few minutes and dismissed as casually. It would be better for the Opposition, I fancy, if they differed more on this question, so vital to the interest of the country. Then we would have something worth considering in the way of an amendment instead of one simply to give the matter a six months' hoist. It must surely be a very severe criticism upon the functions of an opposition that, after having debated this question for nearly a week, the only way they can see out of the difficulty is to give it a boost into eternity. That I am sure will not commend itself to the people of the country who admire a brave opposition rather than a cowardly one.

Some hon. MEMBERS: Oh, oh.

Mr. BURNHAM: When I say 'cowardly' I do not mean that they funk the job; I mean that, instead of setting their face one way, they have set it in another and an unusual way. But the people of the country, however, think, as I know the Government know and we all realize, that Mackenzie and Mann have been allowed too much rope, and that there was very great danger at one time that they would be allowed a little more for the express purpose of hanging themselves with it, if necessary, and there would have been no general regret had they done so.

As the distinguished Prime Minister said on one occasion, the Government were not sent here by the people for the purpose of sidestepping their difficulties; they were sent here by the people for the purpose of transacting the business of the people, and therefore they must boldly face the problem and boldly solve it. They have unquestionably done their best; and while I presume they do not think that their best may necessarily be perfect, yet it lacks amendment. on the part of the Opposition, and we can at least lay that flattering unction to our souls. We may safely say that the people have got tired of being deprived of their just rights, of being made to pay the piper. They no longer intend to do any such thing; and I venture to say that, if Mackenzie and Mann or the Canadian Northern come back here next year seeking anything further, if they are not given the foreclosure but are given any further assistance, there will be not a riot but a revolution in this country.

Mr. KYTE: It is coming.

Mr. BURNHAM: Yes, it is coming, but it will take a long time if you give this matter a six months' hoist.

But this is thoroughly realized by the Conservative party; and, apart altogether from the other financial considerations such as the great stringency of the financial world, we must consider the question directly and immediately at issue. That question is whether or not, by a little successful financing, which will not in any way injure others or ourselves to any appreciable extent, we shall be able to tide this great undertaking over a serious difficulty and place the Canadian Northern Railway Company, not for their benefit but for ours, upon a sound footing. That is the question before us; and I am sure it is fitting for us to give it our serious consideration and to hasten to give the aid if possible, and we are so doing. It is, of course, gratifying to hear plenty of criticism. It is only in that way that the general knowledge of the country and of the opponents and critics of the resolution can possibly be made use of by the Government. That is desirable; and since we now know that the only thing that can be urged against this resolution is that it had better be postponed, we are thoroughly well satisfied to go on with it without delay. The people of this country, I fancy, do think in that way. They are absolutely tired of grafters, of being made use of, of being made hewers of wood and drawers of water for financial giants, men who, having acquired the distinction and the fortune which they have, put handles to their names in order to distinguish themselves from the common multitude. Are those titles put into this resolution? Are they a security? I fancy not, because they do not furnish any security. They do not indicate the facts of the case, and therefore never should have been bestowed. I say, however, that in view of the fact

that this great undertaking is at stake; that this great difficulty must be faced, the general proposition of aiding and assisting at this juncture is admitted. The right hon. leader of the Opposition, with that patriotism which characterizes him, has himself said that aid should be given. Therefore the rest is merely a matter of detail. That is something for the lawyers to settle, or for those upon whom rests the responsibility of furnishing a measure which will escape the criticism of the judges—and if they do that, they will accomplish more than anybody else has ever accomplished yet. But that is a matter of detail and is not germane to the question that is now before us. We are, and have been, discussing the principle of the Bill, and that principle has been endorsed from the first, the criticism that has been hurled at it by a large number of speakers being based upon an entire misconception. The principle of the Bill has been endorsed even by the leader of the Opposition. Criticism of the principle from that or by the hon. gentleman's followers is entirely unwarranted—let these hon. gentlemen dispute with their own leader and not with this Government. They have endorsed the principle. Very well, then, let us hasten the introduction of the Bill and the discussion of the details, and then let them fight about the details as much as they like. But the fact is, we must help the Canadian Northern railway system out of the difficulty in which it is—we must do that for our own benefit; no one denies that. So, let us get out of this quarrel, let us be done with this furnishing of items for the newspapers and material for tremendous headlines. If there be a man in this House who does not endorse the principle, let him stand up and say: Not a dollar shall be spent to give this enterprise assistance. There is not a man in this House who will rise and say any such thing. We simply must decide whether we shall go into public ownership or whether we shall assist this enterprise at this juncture. I think it must be admitted that it is for us to accept the statement of those who are most intimately connected with the management of our finances; and that statement is that however desirable it might be for us to acquire this whole system—and very likely that may be proper in the future when we are in a position to do it—yet we are not able to do it now for the reason that we have too much else on hand. What else can we do except take the word of those who are managing our finances and bow to their judgment? Undoubtedly the time will come when we shall own all great public works, all means of transportation and communication; and possibly all means of production; and so, instead of having a system of free trade by which people can rush in and grab what they like leaving the rest to take what they have left, we shall have established and demonstrated the true function of government, the public control for the benefit of the people of all the country's resources. Therefore, I say that we ought to get out of the slough of despond ln which we are at the present time. Canadians are not the people to lose their nerve in face of impending catastrophe. I admit, and admit readily, that Mackenzie and Mann ought to put every dollar they have into this enterprise and that if we could we ought to compel them to do it, and fight it on this principle. But now the only thing we can say is: Who allowed these men to start out on this voyage of discovery? Which has got us into this difficulty? Who allowed these men to bind down the provinces, and then having got them tied down, having got them firmly anchored for their own purposes, simply to laugh at us and say: Help us out of the difficulty or else you and yours will meet with misfortune. Who did that? The person who did that, the person who set them on their way, is the person who is guilty of bringing about this catastrophe without the least doubt. The difficulty could never have arisen if it had not been for the fact that the man—or woman—

Some hon. MEMBERS: Oh, oh.

Mr. BURNHAM—who started this enterprise, must have been exceedingly stupid not to have foreseen that financial men, or indeed, the common run of humanity would sooner or later get them into serious difficulty. Now, are any hon. gentlemen prepared to say that British Columbia, Alberta, Saskatchewan and the other provinces shall be thrown like bones to the dogs? Are we not to rescue them if possible by using our financial ability, and if necessary our resources? Unquestionably. Therefore, I am sure I am speaking for the larger number of the people when I say: Get over this political bickering and discuss the principle whether we shall save our own credit and our own selves by helping this undertaking. If we should not do so, then let us tell these people to go hence and settle their difficulties among themselves. They have not done the chivalrous thing, and

the decent thing of putting their own property into this enterprise by way of security. But let us aid them nevertheless, and then when the time comes we can foreclose and put the screws on them all the harder, for the reason that they deserve no mercy.

At one o'clock, the House took recess.

The House resumed Three o'clock.

Mr. E. LAPOINTE (Kamouraska): Mr. Speaker, I do not think I can be charged with unfairness towards the few hon. gentlemen who have spoken in support of the proposed resolutions, without even excepting the hon. member for Peterborough (Mr. Burnham), if I say that they have failed to meet the precise and peremptory objections raised by hon. gentlemen on this side of the House.

I am free to admit that their task is an unsavory one and that the Government's policy on this question cannot be defended before the country with any chance of success.

Since the opening of this debate, a question occurred to me as it must have occurred to every hon. gentleman who occupied seats in this House last year: How comes it that we should be just now confronted with this contract-making business? During the session of 1913, the owners of the Canadian Northern stoutly assured the Government that their railway system would be carried to completion by them, once for all, if only the country assisted them with a further grant of $15,000,000. They even bound themselves to it. That assurance and that agreement were laid before us by the right hon. Prime Minister and the hon. Finance Minister, and the Government assumed before the public the whole responsibility under the circumstances.

As regards ourselves, we did not have much faith in that statement, and we refused to ratify that extravagant gift of $15,000,000 to Mackenzie and Mann; but the Government did not stop at that, and the majority in this House passed the Government resolutions, on the guarantee given by the Prime Minister that it was the last grant of public funds which was to go to the Canadian Northern.

To-day that $15,000,000 has been swallowed up, expended, we know not how or where. No satisfactory explanation has been forthcoming, and the Government does not seem to have exercised any supervision over the expenditure of such a large amount of public moneys. It seems to me that the primary duty of the Government was to watch over the use which was being made of our moneys, so as to protect the public. Nothing of the sort has been done. Previous to granting this $15,000,000 no inquiry was made into the busines of the Canadian Northern; the Government admit themselves that they have gone into it blindfolded, they allowed themselves to be fooled like children by the magnates of that railway company, and the Prime Minister has made himself sponsor that this $15,000,000 application was final. Then they took no steps whatever towards supervising and checking the use to which this money was put.

I say that under the circumstances, in view of the further legislation which is being submitted to the consideration of the House, such a line of action makes of them, not only the victims, but also the accomplices of the false representations made last year by Mackenzie and Mann to the Dominion Parliament. These same financiers come back a year later and apply to parliament for a further grant of $45,000,000; the country will not permit that its administrators should so complacently let themselves be guided by the men who have just deceived them. In spite of the heaps of figures brought forward—and two of the Government's supporters have shown that those figures are fanciful, and in many cases false—in spite of the efforts made to turn this into a purely technical question, nothing will prevent us from showing it in its true light, and viewing it from the standpoint of public and political honesty.

Before binding us irretrievably to such a gigantic enterprise, before entering into further agreements with the Canadian Northern Company, the Government is in duty bound to require full explanations and a clear statement of the liabilities.

The only measure that might satisfy public opinion and justify the granting of assistance on the part of the Government, would be, to start with, a thorough and searching inquiry into the business of that company. Such an inquiry is what we demand, what the country demands, and the hon. member for Calgary (Mr. Bennett) is not the only one in the ranks of the Conservative party who is clamouring for it.

But we are told this is a case of emergency. Under this Government there always exists an emergency. Last year, had it not been for the immediate granting of

$35,000,000 to the British Admiralty, the United Kingdom of Great Britain and Ireland was threatened with utter destruction. Already in the distance one could hear the roaring of the enemy's guns; the Empire was in a sad plight. This year it is the credit of Canada and the nation's financial standing which are at stake; bankruptcy is staring us in the face, and the only way out of the difficulty is the granting of $45,000,000 to Mackenzie and Mann.

Such an argument is not far from being an attempt at blackmail. If it is to be understood that in this country promoters can with impunity spend right and left the moneys of governments and municipalities, handle and invest for their own personal profit, the funds which are put in their hands for the purpose of ensuring the success of some great public undertaking; and if it is understood, besides, that after managing things in such a way as to bring the whole undertaking on the verge of bankruptcy, they can come back to the Government and say: Unless you give us more money, we will have to assign and there will result for you a still more grievous situation, I say that is encouraging the improper use of public funds as well as reckless financing.

Before entering into any such arrangement with the Canadian Northern, let us do what travellers over some portions of that route are, it seems, obliged to do: Let us clear the road. And to start with, let us do away with the originators of the disaster, let us get rid of Mackenzie and Mann.

Sir Wm. Mackenzie and Sir Donald Mann are two strong men, wizards of finance. They have succeeded in launching and organizing with public funds, a great undertaking, and in surrounding themselves with subsidiary ventures of all kinds. The small company which originated in the province of Manitoba and was a long time at constructing a few miles of railway has become a powerful corporation, with twenty-eight subsidiary companies. They have established a system which is well connected and spreads over the whole country. They have taken advantage of that system to develop all the resources which the country puts at their disposal. They have laid hands on everything worth having. They have meddled in politics, they have purchased newspapers. Nay it is rumoured that they were consulted in the making up of the cabinet. They are most certainly great handlers of money and great handlers of men; but I object to letting them continue doing that with the help of public funds.

The hon. member for Kingston (Mr. Nickle) put on record in Hansard the other day a statement of the amounts received by Mackenzie and Mann from governments and municipalities. That statement shows that the figures which have been supplied by the Government are very incomplete:

Here is the summary of the whole statement:

Land grants—		
Dominion		$ 29,392,404
Ontario		10,000,000
Quebec		3,000,000
Bond guarantees—		
Dominion		60,940,539
Manitoba		24,059,446
Alberta		35,349,000
Saskatchewan		18,590,000
Ontario		7,860,000
British Columbia		47,966,000
Subsidies granted—		
Dominion and municipalities		31,318,420
Ontario		2,001,413
Manitoba		641,575
Quebec		3,413,541
Total		$274,531,338
Loan given by the Nova Scotia legislature to the Halifax and Southwestern of $13,500 per mile, for 372 miles		5,022,000
Subsidies granted to Bay of Quinte	$159,228	
Central Ontario	219,018	
Iredale, Brancroft and Ottawa	250,569	
James Bay	27,612	
		656,427
Sum total		$280,209,765

And it is after drawing on the public to the incredible extent I have just mentioned, it is after giving a year ago the formal assurance that those $15,000,000 they were receiving would be the last they would call on the country to grant them, that those two financiers now beg for a further advance of $45,000,000.

I admire the candour, or rather the impudence of those magnates. It appears in full light in the letter written by Sir Wm. Mackenzie to the right hon. Prime Minister on the date of March 5, 1914, a letter which is to be found at page 5 of the blue book distributed by the Government.

Ottawa, March 5, 1914.

To the Right Honourable
R. L. Borden,
Premier of Canada.

Dear Sir,—For the reasons mentioned in the memoranda and statements respecting the Canadian Northern Railway System, submitted, it is essential that the company should receive further Government aid. The amount required is forty-two million dollars ($42,000,000).

Recognizing the difficulties in the way of a cash loan, I beg to apply for a guarantee of securities to the extent of forty-five million dollars ($45,000,000), par value. The discount on the disposal of these securities would probably reduce the proceeds below the forty-two million dollars ($42,000,000).

I have the honour to be,
Your obedient servant
Wm. Mackenzie,
President.

Is not that a simple way of settling matters? For Mackenzie and Mann, this Government is like the Kingdom of Heaven: Ask and thou shalt receive.

It seems to me the Government's first answer ought to have been: Gentlemen you are worth several millions, you have money invested in all sorts of profitable ventures in this country and abroad. Show as much disinterestedness and as much confidence in your undertaking as Donald Smith, Stephens and the other great builders of the Canadian Pacific railway. Before calling on us for further contributions, invest some of your own money.

That is not what the Government say. On the contrary they submit a measure involving the credit of Canada for a further amount of $45,000,000 in favour of Mackenzie and Mann, and binding forever the country, by holding it responsible for the future liabilities of the company and putting us under the necessity of advancing further amounts which will be required for the completion of the road, whatever that may be.

All the securities which the Canadian Northern is supposed to give us are worthless. Before they could be converted to any use, we would have to pay off the $312,000,000 of liabilities which are a lien on all the assets of the various companies subsidiary to the Canadian Northern. The stock which is handed over to us is not worth a single cent on the money market. And by accepting that stock, we enter into partnership with Mackenzie and Mann, in a company whose managers and directors they are.

I say that besides incurring immense liabilities, the Government endorses a wrong principle by making the Government enter as a partner in a private undertaking. The State should not be a party to any private venture; it should regulate, control, and supervise all of them.

Neither do I approve the appointment of a representative of the Government on the board of management of the Canadian Northern. That privilege is quite useless as an adjunct to the controlling power which is vested in the State; such a representative will only act as a connecting link between politics and finance, and that, with reference to negotiations which may not always be in the public interest. In the management of the affairs of the company, that director will be a nonentity; his power will be of no avail whatever.

Mr. Speaker, the legislation which is submitted to us strikes me as pernicious and contrary to the public interest. If Mackenzie and Mann are unable to meet their liabilities and to build the Canadian Northern, if the country is to pay the cost of that undertaking, let these financiers relinquish their control and hand over the property to the people of Canada.

I, for one, speaking on behalf of my constituents, object to our becoming the subordinates of Messrs. Mackenzie and Mann, and I shall vote against the resolutions submitted by the Government.

Mr. F. N. McCREA (Sherbrooke): Mr. Speaker, I wish to address the House briefly on this important question, which is a business question and should therefore be approached and dealt with in a business spirit. It appears to me that Messrs. Mackenzie and Mann started out to build a transcontinental railway with public money. They have got all the money they could from all sources but the road is not yet completed and they have come back to this Government and asked for more assistance. It is our first duty to look carefully into the matter and see how the money that has been committed to their charge for expenditure in this enterprise has been expended. In order to do that it will be necessary to examine their books not for one or two years but from the inception of the enterprise, about 1896. From that time until the present they have been constructing branches and roads with public money. It would be necessary to examine thoroughly not only their books but also the quality and character of the construction work on the different roads. A short time ago this Government appointed a commission to examine with care into the construction and expenditure of money on the Grand Trunk Pacific. That commission examined very carefully not only the books but every feature of the road, every piece of rock-cut and trestle work to see the quality of the work and the classification that had been made. It would have been quite in order to have done the same thing in this case, and I do not think that this Government have looked into the question as fully as

they should have done. It would have been impossible for them to have done so in the short time that has been at their disposal. The very formation of so many different companies controlled by two men would look to me suspicious. It would look as though there might be some room for side-stepping. One of the first necessary steps would have been a thorough examination of all of these matters. Messrs. Mackenzie and Mann are practically the owners of the Canadian Northern railway, and whenever they undertook to build either the whole line or a branch they first got their charter, then they got all the aid they could from all sources, municipal, local Government and Dominion Government, and then, after making their financial arrangements, they let the work to a construction company which was still Messrs. Mackenzie and Mann. This, to my mind, would indicate that there might be a chance for a little rakeoff. Sir William Mackenzie and Sir Donald Mann may be a special brand of humanity, more honest than the ordinary run, but the poet, a wiser man than I and one who understood human nature better than any other man of his day or generation, has said:

> But, och! mankind are unco weak
> An' little to be trusted;
> If self the wavering balance shake,
> It's rarely right adjusted!

So it appears to me that when Messrs. Mackenzie and Mann, owners, let the contract to Messrs. Mackenzie and Mann, contractors, without competition, the work to be supervised, examined and looked after by their own engineer, and the classification to be by their engineers, it is very necessary to examine into all these matters with great care and to see if the money that this country has paid from all sources has been legitimately and honestly expended in the construction of this road. After that examination has taken place if it is found that they have administered the money committed to their charge honestly and fairly, if no misappropriation has been made, and no money has been devoted to other uses, then it might be well and wise to entrust them with more money or credit to finish the road. If, on the other hand, it is found that a part of the money has been appropriated to outside enterprises, and not to the construction of the road, it would appear to me to be very bad judgment and very bad policy on the part of the Government who have trusted them to entrust them with any further public money.

There are in all some 28 or 30 subsidiary companies mentioned in the resolution that has been placed before this House. There is, however, another little organization that is not mentioned. I do not know whether that is organized under letters patent or how, but in this little organization there is perhaps the most serious question as to the proper method of dealing with this matter, and that is: if public gossip is to be relied upon, and if my information is correct, this present Government owes its existence as a government to a large extent to the influence of Messrs. Mackenzie and Mann in the last election. Not only that, but if public gossip is to be relied upon and my information is correct, some of the Cabinet ministers owe their seats in the Cabinet to the advice and influence of Mackenzie and Mann. That being the case, it strikes me as though these gentlemen could not approach this question with an unbiased mind and deal with it absolutely on its merits. I would be inclined to think that they might be prejudiced a little bit; they might feel that they owed a debt of gratitude or a debt of something to those to whom they owed their positions in the Cabinet; and, while, perhaps, they might intend to be honest and fair, they would be prejudiced. For that reason, when Messrs. Mackenzie and Mann came before this House at the opening of this session, I think the wise thing for the Government to have done would have been to appoint a committee selected from both sides of the House to investigate this whole matter. The construction of the Canadian Northern railway is a public enterprise, and I think it is agreed on all sides that it is one which cannot be allowed to go to the wall. It must be finished in some shape. But before money is asked for, the first thing that we should know is that the money already granted has been honestly expended. The next thing is that the money we are about to guarantee or grant will be expended honestly without any question. It would be necessary to know the past records of these gentlemen before we entrusted them with further credit. That is how the matter appears to me. I understand that the Solicitor General drafted this resolution. I do not know to whom he owes his debt of gratitude or his seat in the Cabinet, but evidently not to the hon. member for Calgary.

It was stated in this House during the debate on the Grand Trunk Pacific that the

commission appointed by this Government to investigate the construction of that road came back to this House and reported that the road had been extravagantly built. They reported that it cost a lot of money, but they could not point to a dollar that had not been honestly spent. In this case we find $100,000,000 of watered stock. I think the wisest thing to do is to cut out all watered stock. I am satisfied that when the road is completed, if it ever is, it will have enough to do to pay interest on the actual money expended on the road without having to pay a dividend on watered stock. You may say that we will not have to pay dividends on the water until the bonds are taken care of. That is true, but the owners of the road will say: We have a certain amount of stock on which we have never paid dividends, and consequently we are entitled to charge higher rates; and when the Board of Railway Commissioners is called upon to adjudicate between the public and the road built with their own money; the then holders of this watered stock will point out that on $100,000,000 of stock no dividends have been paid, and from that they will argue that the rates should not be reduced until a dividend has been paid. I say that there should be no watered stock at all. This resolution, as I understand it, proposes to reduce the stock to $100,000,000, but I say there should be no stock at all except what represents actual cash. The Minister of Finance, in his speech yesterday, said that this road was a legacy handed down by the late Government. All I can say is that the Minister of Finance is more generous than he was two years ago when, shortly after this Government came to power, he boasted of having a surplus of $39,000,000 and gave the present Government credit for that although they had only been in office about three months. The Minister of Finance did not give credit to the late Government for that legacy, but when he comes to something that is a little knotty—a proposition to which they have granted assistance in two successive years without taking the members of this side of the House into their confidence at all, or giving any reasons, and now, when they come back for the third time claiming to be bankrupt and broke, he says it is a legacy left by the late Government. That is not very logical.

There is just one other point with which I would like to deal and upon which I would like some information. Has any arrangement been made between the Government and Mackenzie and Mann for taking over the Quebec and Saguenay road? My impression is that some arrangement has been made for taking over that road when this assistance is given, and I think we should be given some information on that point.

Before I take my seat, I wish to appeal to the fair and unbiased minds on both sides of the House. While the Canadian Northern cannot be allowed to go into bankruptcy, this House is not justified in putting through any deal or granting any assistance until we know absolutely what these men have done with the money they have received, and how they are going to dispose of the money that is provided for in this resolution. It is absolutely necessary for us to know whether they have legitimately, honestly and faithfully expended the money that they have received from the Governments of this country, Dominion and provincial, or whether it has been put into side enterprises of their own. It seems to me that Mackenzie and Mann must have received a profit or rake-off out of their railway construction. Mackenzie and Mann, if my information is right, started life like myself without any worldly goods, and to-day they are rated as very wealthy men altogether outside of the railway business. I want to know where all their money came from. Did it fall like manna to the children of Israel? If they are millionaires outside of their interest in the Canadian Northern and other railroads, where did their fortunes come from? It is something I cannot understand, and which we should know before we guarantee their securities to the extent of $45,000,000.

Mr. W. F. MACLEAN (South York): Mr. Speaker, the amendment before the House in substance denies that the company is in distress, and therefore denies that it is incumbent on the Government, in the public interest, to come to the succour of the company. I take the proposition before the House as involving that this company, and this great proposition, are in distress, that the Canadian Northern railway needs money to complete its line, and that the Government regard it as a public duty to come to the rescue of the company to prevent what would be substantially a panic. I believe the credit of Canada would be greatly injured if this company and this proposition were allowed to go down at the present time; and if that is the case the amendment does not meet the situation. It proposes to

put off something that nearly everybody in this House says must be dealt with: the government say so, the majority on this side of the House say so, a great many members on the other side of the House say so, and the last speaker has said so. Therefore, it is incumbent on Parliament to deal with this proposition not only because of the company, but because of the credit of Canada. We could not afford to have the credit of Canada jeopardized, to-day in any way by reason of the collapse of a great transcontinental road that was put into existence by this Parliament, whether by one party or another. This Parliament of Canada is responsible for the fact that we have one great transcontinental road in this country and are building two others on the money and on the credit, principally, of the people of Canada. The Government, apparently seized with that idea, proposes to do something, and they have introduced a measure which will give relief to the company and will, we trust, allow the road to be completed, and I trust that in the end it will be an advance on what we have done here in the past. To my mind, the proposal before the House is the first step toward public ownership of a transcontinental road in which this Parliament has invested a lot of money. It is true it is not complete public ownership; perhaps it is a partnership; or, as I would prefer to say, by consolidating these companies into one proposition we are putting the system in shape so that in a short time it may be acquired by the people of Canada and linked up with the Intercolonial. We should then have in the hands of the people of Canada, and in the hands of Parliament, a great transcontinental line owned by the people of this country. Having done that, we may go a step farther and complete our own transportation system by steamships on the ocean.

There is no solution of the transportation problem other than public ownership, and I welcome this as I would welcome any other step in that direction. The only particular in which this proposition does not quite commend itself to me, as an advocate of public ownership, is that when we take 40 per cent of the stock and assume this responsibility, the least we ought to do is in some way or other to take an option on the remaining 60 per cent. Now probably is the time to do it. I do not know but that the owners of the road, the Mackenzie and Mann interests, are prepared to entertain such a proposition. It is true it would cost some more money, but it would only be fair to take over that interest. I do not say that we ought to do it just to-day but we ought to be able next year, or the year after, to know how much of an additional cash payment to these owners would give us complete control of the road. It will be three years before we can get possession of the road in case of default. I do not want to see a default, but I do want to see the road linked up and got together, as it is being got together by this resolution, and I want to see the country get 40 per cent of the capital stock because that is a substantial approach to public ownership. Next, I would like to see provision made in this resolution whereby we would have an option on the 60 per cent of the capital stock that the proprietors still hold. I do not believe it would take a very large sum to acquire that ownership. If we do not find the road going as it ought to go, if the money is not put where it ought to be, we would be able to exercise immediate ownership and enter into possession and we could proceed to do what we must do in any event in a short time; that is, take control of one and perhaps two of the transcontinental railways. I have been an advocate of public ownership for many years and I seek to advance it on every occasion. It may only be a small step forward, but I am prepared to support any step in the direction of public ownership. If there is anything that has failed it is the system of private ownership of railways wherever it has been tried, whether in the United States, in Canada, or even the mother country.

Mr. MACDONALD: Does this proposition secure public ownership?

Mr. MACLEAN: It establishes forty per cent of public ownership. It goes that far, and this is the first time it has ever gone that far in this country. Private ownership has failed. The present system of railway building has failed. What is the situation in the United States to-day? The present system has brankrupted most of the great railways because they have been exploited by private individuals and companies and by interests that were not identified with the public. It is abundantly evident that in the United States the big corporation system in relation to railway construction and management has failed. The roads have been exploited, looted, so much money has been taken out of them,

so many unnecessary securities have been put upon them, that they cannot pay their way and they are imploring the country to allow them to increase their rates. I do not think they will get that increase in rates and they will put the railways into the hands of the Government in the interest of the public and try to save something for themselves.

Mr. GERMAN: Does the hon. gentleman think that forty per cent is of any use as far as public ownership is concerned ?

Mr. MACLEAN: It may be. I hope it is. It makes the acquirement of whatever remains much less onerous and it enables us at once to connect up the Intercolonial in the direction of public ownership. It does not go all the way, but I want to see it go the full length, and, either by an immediate settlement with the company for its whole interest, or by an option on that interest, acquire possession of this road. We have in this country at the present time the Transcontinental railway. It is almost ready for use. There is an agreement which sets out that until the whole line is completed the Grand Trunk do not need to take it over. It may be on our hands next year. The Grand Trunk may say: We will take it over under modified terms. Therefore, we may find ourselves with a transcontinental railway on our hands and we may find ourselves with a Canadian Northern railway on our hands. There is a problem coming, and it is one which this Parliament and the public must get ready to deal with. I am just as surely convinced as that I am standing here that within two years this Parliament and the people of Canada will have to take over the Grand Trunk Pacific—a transcontinental railway—as well as the Canadian Northern, and link them up with the Intercolonial railway. We may be forced into public ownership, and the consolidation of all these lines in an effort to serve the people and not to serve the exploiters or shareholders.

The great thing in connection with public ownership is that the effort of those in charge of a publicly owned concern is to try and serve the public in the best possible way, to give them the lowest possible rates, not to make a profit and to avoid all unnecessary charges. The conditions that we have in Canada to-day are the result of the system under which we have operated our railways up to the present time. We have an immense and unnecessary duplication of lines and of construction, but compared with unnecessary construction and duplication, what are the charges for maintenance, the overhead charges, the unnecessary services in connection with these lines once they are constructed? This country will be bled white in maintaining these great transcontinental lines and a lot of unnecessary, duplicated lines and services.

The Grank Trunk, the Canadian Pacific railway and the Canadian Northern have been telling the people that they cannot stand a reduction in rates. They say that the rates must be kept high, and there is to be no reduction for the farmer or for those who pay the railway rates because of the competition of other lines. Not only have we an unnecessary duplication between Port Arthur and Sudbury and across the Rocky mountains, but we have unnecessary duplications in all directions. It costs a lot of money, and the rates are unnecessarily high in consequence. Therefore, the only real relief, the only possible relief, will be the consolidation of these lines into one system, and the only interest that can consolidate them is that representing the Parliament and people of this country. We have built at an enormous cost four lines across the mountains. The Canadian Pacific railway are constructing a second line, the Canadian Northern will have a line, and the Grand Trunk Pacific will have one. One double track line between Edmonton and the Pacific coast would be worth all the other lines put together, considering the matter from the point of efficiency and reduction of rates. While we have built these roads, we still have the problem of finding a way of making them profitable. My contention is that the only way is to consolidate them in the one system and have that system controlled by the state. Between Toronto and Ottawa, within the next few weeks, we are to have four lines competing for passengers and freight. I believe that one line double tracked would do all that work much better. We have got to wipe out this unnecessary duplication, even if we have to take up the rails of some of them and put them down in other places where they will give better service. To my mind the problem before us is to recover our mistakes, to try to come to public ownership in connection with one or two of those lines, and then to approach the real problem and work out the consolidation, wipe out the unnecessary lines, and try to give good service. We have been trying to build railroads, but we have not been giving the service

we ought to give to the people, and we will never be able to give a proper service with all these competing roads. You cannot do all this in a moment, but you can begin to get ready, and my appeal here to-day is based on the idea that we must begin to get ready, and this legislation before us is the first sign I have seen in the history of Parliament that we are getting really ready for the public ownership of our railways, in part if not in whole.

This road came before the attention of Parliament in 1898, when I was a member of this House, and I then urged, in connection with the proposal to subsidize the Canadian Northern from Winnipeg to Port Arthur, that it be made a public road. Mr. Robertson, then member for East Toronto, and Mr. Richardson, then Liberal member for Lisgar, urged with me that the road should be nationalized and that it be thrown open to the Intercolonial railway, and had that been done it would later have been open to the Transcontinental railway. But that was not done; we subsidized the Canadian Northern then, and we have been subsidizing it ever since, and the result is that we are in a mess. We have now three transcontinental railroads; we do not see how they are going to maintain themselves, but we do see that they are coming back here year after year for additional consideration. The Grand Trunk Pacific, I am told, will be back here again for assistance, the Canadian Northern is now asking for assistance, which means that they are to have one hundred million dollars to spend. We do not quite know if that will complete the Canadian Northern railway, and, although we were warned years ago that it was a mistake to unnecessarily duplicate these lines and to spend money on them, we have continued to do so right up to the present hour, and we find ourselves where we are to-day. We must try and recover our ground, we must try and get rid of these unnecessary lines. How it is to be worked out I do not know, but I say it can be worked out if men who do believe in public ownership have the responsibility of doing it. A party is growing up in this country in favour of public ownership, and when we have public ownership we will have the means of regulating transportation charges in an effective way, and we will be in a position to regulate ocean freight rates also. I am ready to-day, on the lines of public ownership, to subsidize or purchase a line of steamships that will give relief from the exorbitant freight rates that prevail on the Atlantic. Our farmers in the West are not making as much as we expected they would, because they say they are unfairly treated in the matter of ocean and railroad freight rates. And yet we have spent hundreds of millions, a billion of money almost in building railways, and we propose to continue it and to duplicate railway lines unnecessarily, and to pay overhead charges that we ought not have to pay. If we now begin to cure these mistakes of the past, and if we can get one or two of these lines into our hands and use them to that end, we will begin to effect some kind of reform.

The question of public ownership came up when this railway first came to us for aid fifteen years ago. The right hon. gentleman who then led the House said he did not believe in public ownership, and he repeated that statement when the Transcontinental Railway Bill was introduced, but he now shows signs of change of view because he says that we should get all the stock of this railway. If there is a way that we can get it now, even by additional expenditure or by taking an option on it, I think we ought to try and do so. As it is, this measure seems to me to be somewhat in the right direction and it does seem to me to be in the line of upholding the credit of the country and of getting rid of a situation that otherwise will bring discredit on us, will injure our credit, and will impede the settlement of the country generally.

There are some things in connection with this deal I wish to point out. The Minister of Finance said last night that for one thing it meant the limitation of the capital stock of the Canadian Northern railway, and of the subsidiary companies, and it does do that. The minister claims credit for that and I heartily congratulate that gentleman on his conversion, because I have heard ministers of finance and other ministers, and I have heard the law officials of the Government say that it is not necessary to control the capitalization of railways. Now, for the first time we have it on the statute book in connection with one company, and if we have it in connection with one company we must have it in reference to all, and this Parliament ought not to prorogue until it takes control over the capitalization of all railways. The principle is contained in a Bill now before the joint Committee of the Senate and the House of Commons, to regulate the capitalization of

all railways, and there is a rumour that this Bill will not go through this session. If that be so, my advice to the Government is that they should pass a Bill with a single clause in it, taking complete control over the capitalization of the Canadian Pacific railway and all other railways. I have pointed out to this House on several occasions that the increase in the capital stock of the Canadian Pacific railway was against the public interest and that it ought to be controlled. I was voted down time after time, and at one period I could hardly get a seconder for my motion, but now the principle is admitted. What has been the net result of the watering of the stock, or the cutting of melons in connection with the Canadian Pacific Railway stock? It has been this: that while they cut melons for the benent of the holders of the Canadian Pacific railway stock and divided $80,000,000 amongst them, the shrinkage of value of the stock since the Canadian Pacific railway began this system of cutting water-melons, has amounted to over $100,000,000. It is foolish any longer to allow these companies to unnecessarily increase their capital. There was a time when the Canadian Pacific railway was capitalized at $50,000,000, and it should have been kept there, and had it been kept there the people of this country would have owned the Canadian Pacific railway. To-day it is capitalized at over $200,000,000, and the stock is owned outside of Canada, and the capitalization is so great that Canadians can never buy control. The capitalization of the Canadian Pacific should have been kept largely to the issue of bonds and debenture stock, and the control should have been in the common stock, which should have been limited. Had it been limited, the people of Canada, as individual investors, would to-day have had the control of it and we would have been in better shape. Therefore it is quite clear that, if we are limiting the stock of the Canadian Northern, as we are doing to-day, we ought to limit the stock of all the railways of this country and not allow them to increase their capital or to water it when they like, so that their stock may be what it has never been yet in this country to any great extent, namely, devoted to the purposes of the undertakings. If this stock of the Canadian Northern railway had been kept in the treasury, it would have been almost sufficient for the needs of the company to-day; but it has been allowed to be taken out of the treasury, and the result is that the stock has never played any part in the financing of the railroad. Therefore it is now incumbent upon Parliament to see that all the railroads in Canada are this session put under a general Act, which will compel them to secure the approval of the Railway Board for their financial propositions. That is one good result that has come from this proposed deal with the Canadian Northern railway.

As to whether or not it will be possible for this House at this time to find a way whereby we can get an option on or can purchase the 60 per cent of these shares, I do not know. The Prime Minister, however, has invited suggestions and this is one I throw out to him, that he should see whether it be not possible to secure at a reasonable price the controlling shares of this railway. Perhaps the owners would object to that; perhaps they have other ends in view; but I would like to see at least negotiations opened up, and not only an effort made now to complete this road and to maintain our credit, but a real, earnest effort made to have the state and the people control at least one transcontinental line. Now that we have started to secure 40 per cent of the stock of one railroad, there must be no further change in the status of the Intercolonial railway, nor must any railroad be allowed to get rights over it other than other roads have. While they may have common use of it and running rights over it, its integrity must be maintained absolutely. During the last few years these have been proposals in this House and in the country at various times that the Intercolonial system ought to be allowed to lapse into one of the other roads, or that its usefulness ought to be interfered with by unfriendly agreements, tie-ups and things of that kind. We have to maintain the integrity of the Intercolonial. We are to have 40 per cent of the stock of one transcontinental road. We should try to get the rest of the stock of that road. Whether we will or not, we have to get ready to deal with the National Transcontinental system or the Grand Trunk Pacific. It is not a settled proposition to-day; it is taking a long time to build, longer than we expected; and a condition that perhaps could not be foreseen has arisen whereby the Grand Trunk, as I understand it, are not compelled to take over the railroad until the bridge at Quebec has been completed, and to complete that bridge will take some

years. If that is the case, we shall have the National Transcontinental railway on our hands. There is no solution to this situation and it becomes more grievous every day. Therefore, we ought to get ready, by a system of public ownership, to take one road, to couple it up with the Intercolonial, and to deal with the Grand Trunk Pacific if we have to do so. If the Grand Trunk can deal with the Grand Trunk Pacific and take it up and give a service with it, so much the better; but, in any event, the country must have one transcontinental line and they must have, in association with that transcontinental controlled by the people, some system of ocean transportation also controlled by the people. We shall soon have the Hudson Bay railway on our hands and we shall have to supply a boat connection for it on the Atlantic. We shall have to get ready for that. There is no use in building a Hudson Bay railway and then being at the mercy of the steamship lines as we are to-day. There is no use in building canals of all kinds in this country, and then being at the mercy of the inland transportation companies, as we are to-day. In some way we are in an impassé; but we must find a way out; and if anybody has a suggestion to make which will give the people of this country relief, I would like to know what it is other than public ownership.

We have a problem with the people of the West. The West has come, for a time at least, to somewhat of a standstill, and the people there blame various things for their position. One thing they blame above all things is the exorbitant freight rates. By that they mean ocean freight rates and railway freight rates. This Parliament has actually put them into the condition that they must pay a higher freight rate in the West than we pay in the East. I have argued against that for a long time. The railways think they have a right to charge more to the people of the West than to the people of the East. The rapid and quick cure and the way to bring about an equalization of the rates is to have a national road under the control of Parliament and of the people. A national railway can no more discriminate against the people of the West in the matter of transportation charges than we can discriminate against the people of the West in the matter of postage stamps. What is fair for one is fair for the other. Inasmuch as this country has paid for all these railways and the people of the West have paid their fair share for them, the people of the West are entitled to equality of rates; and the only way to get equality of rates and improvement in our transportation problem is to nationalize one railway, and to get it into the control of the people. While I do not deprecate the work that the Railway Commission is doing, it is not quite their duty to deal with such a problem as the equalization of rates. That is for Parliament to deal with; and while the railways at present might complain if a reduction in rates were ordered by Parliament, they could not say a word if a reduction in rates were forced by a state-owned railway. Therefore all I have to say at this stage of the debate, although I may have something more to say later on is, that public ownership of at least one transcontinental road is the easiest and the quickest solution of the situation. I take this movement here to-day, small as it may be or great as it may be, as one step in the direction of public ownership as applied to the Canadian Northern railway.

Mr. L. T. PACAUD (Megantic): Mr. Speaker, in rising to take part in this debate, I do so with no intention of discussing at any length the resolutions presented to us for our consideration. I do not pretend to be able to handle this great question, involving as it does so many important features of financial intricacies. But, Sir, the discussion that has been going on, the speeches which have already been delivered during this debate, have cleared the air considerably. They have dissipated many misapprehensions which have been expressed throughout Canada during the last few months concerning the financial standing of the Canadian Northern Railway system, apparently intended to justify in the eyes of the people of this country the action this Government intended to take in this matter. But the speeches in this debate have been of greater value to the people and have given us a great deal of the inside history of the Canadian Northern railway. The hon. member for Calgary (Mr. Bennett), in his eloquent and most interesting speech, told us that a great deal more could be told to this House and the country if only the proper means could be taken to achieve this end. For my part, I should like to have the whole truth and nothing but the truth.

At the outset let me say I absolutely agree with the opinion which has been expressed during this debate that a third transcontinental railway was an ultimate

necessity for this country, if it was not actually a present and immediate necessity. These words to me are words of hope and confidence in the future of this country. It is a policy which has been adopted, it is a hope which I believe is shared by the vast majority of Canadians. But, Sir, this fact alone does not justify us in acting hastily with regard to the resolutions now submitted to us. To-day this Parliament is called upon once more to come to the assistance of the Canadian Northern railway to the extent of $45,000,000. We have been generous to this railway enterprise in the past. We are told that, by this agreement to-day, we are becoming a partner. Then, I say, Sir, it is our first duty as representatives of the people to see what this new partnership means for the people; for we know just what we are going to pay, but we do not know so fully what we are to receive for our money. I go further and say I believe it is our duty, before even discussing the merits of this resolution, to know the men with whom we are called upon to deal. We have been told in this debate that Messrs. Mackenzie and Mann have given ample evidence of pluck and courage. That is true, and it cannot be denied; and we may say without fear of contradiction that they have shown special zeal in looking after their own interests. For this we cannot blame them—far from it. But their action during the experiences we in this House have had with them should bring us to the view that we also have interests to protect—the interests of the people of Canada. And if we were to go back and review our dealings with these men and the results of those dealings, they could be summarized in one word; that that word would spell 'deception.' Last year we voted millions to the Canadian Northern, but we voted them upon one condition, because we were told that that money would be sufficient to complete the line. To-day these men are again at the door of Parliament seeking new assistance. Last year we were told that if we voted these millions we would have one-tenth of the stock of the Canadian Northern railway. But we have not one-tenth of the stock of the Canadian Northern railway. And when to-day the Solicitor General comes forward and tells us that by this new arrangement we are to have a two-fifths proprietorship, I ask, what greater guarantee we have this year than we had last year that these terms will eventually materialize? With these facts before us, I claim that we should pause and we should investigate. Let us know upon what grounds we were deceived last year; we may then be able to prevent a repetition of such actions. Sir, there is no need to hurry this proposal through. There is no financial crisis before us such as has been so vividly portrayed to us by the Tory press of Canada. The Canadian Northern railway can meet their liabilities—Messrs. Mackenzie and Mann tell us so. And these resolutions tell us so, for they stipulate that not a dollar of this $45,000,000 shall go to meet the liabilities of this company. Therefore we can pause and we can investigate, and that is our duty under the present circumstances.

One word about the security we are to receive for this money. In the first place, we are told that we are to have a mortgage on the stock of the subsidiary companies; but we are told that ten of these companies are already mortgaged for $18,000,000. We are told that we are to get a floating mortgage on the property of the Canadian Northern railway. But we see that that property is also mortgaged to the extent of $312,000,000. Then, we are also to have a mortgage on the property of subsidiary companies, but this is limited and will not cover the whole amount of the $45,000,000 we are asked to vote, but every one of these subsidiary companies will have the right to give a mortgage only for that part of the $45,000,000 which is to be expended in the territory in which it operates. And lastly we are to have forty per cent of the common stock of the Canadian Northern railway. As has been said, though we are giving the bulk of the money, we are getting a junior partnership and will have no control. To me this is not satisfactory. The Solicitor General (Mr. Meighen), tells us this is the best security we could have. The hon. member for St. Antoine (Mr. Ames) tells us that it is a splendid bargain. But, immediately after, the hon. member for Calgary (Mr. Bennett), rises, and after a four hour speech giving the history of the Canadian Northern railway, he warns us: Do not act hastily, for the basis of these resolutions is deception, and deception again. I say it is our duty to look into these matters; and these contradictions we have heard from the other side of the House afford us much stronger reasons for investigating this matter before proceeding any farther.

What has been the result as it has developed from the discussion which we have heard? What will be the position of

Canada? We are told, and it is the only conclusion which we may draw from the arguments which we have heard in this House during this debate, that if we adopt these resolutions, if this measure goes through, Canada will be fourth mortgage behind an enterprise which is already soaked with watered securities and watered stock. For my part I cannot accept these proposals and I intend to vote against them.

There are many other points upon which I would have liked to have touched, which only go to strengthen my conviction that the Government have not safeguarded sufficiently the interests of the people of Canada. If we give assistance that assistance should be coupled with an assurance that the money which we are voting will be used to pay the debts, to complete the line so that these gentlemen will never have to again return to this House for further assistance. I do not believe that that assurance is guaranteed to us in the resolution. Finally, and this is my last grievance, I fail to see why the Government did not exact from the Canadian Northern railway what the Parliament of 1884 exacted from the Canadian Pacific railway under circumstances similar to those of to-day. These promoters, if they wish to impress faith and confidence in their enterprise upon us sitting here as representatives of the people, should first pledge their personal wealth to the final success of their own work and undertaking.

Mr. ALPHONSE VERVILLE (Maisonneuve): Mr. Speaker, I shall take but a few moments to express my views, not so much on the financial character of this transaction as it has been exposed, as on other points. While this discussion is going on in this House the masses of the people of the country are looking upon us as jugglers. They say, and rightly so, that we have been juggling with millions for the last couple of years. Last year we were juggling with $35,000,000, and this year it has been increased by $10,000,000 so that it is now $45,000,000. It is a question whether we are doing right or wrong, but from my point of view I would strongly favour some of the arguments that have been advanced as to public ownership. If we are to grant the guarantee of $45,000,000 to this company, or I might say to two men, why not go a little further and establish immediately the public ownership of railways in Canada? There is much to be said against that, and the argument that may be advanced is exactly the same as the argument used so many years ago in European countries whenever that question was proposed. I read only a few days ago that in Switzerland in 1900, 1901 and 1902, when the question of nationalizing the railways was under discussion, much the same arguments were used. In Switzerland as well as in other European countries they bought out the railways from the private companies and for the first year of Government operation in Switzerland there was a large deficit. The existence of this deficit was, of course, used as an argument against Government ownership in other countries where it was proposed. But the movement for the nationalization of railways has been steadily gaining ground in Europe. Railways have been nationalized in Switzerland, in Germany, in Belgium and in parts of France; and what has been done in those countries can surely be done in this country. Those who use the deficit that occurred in Switzerland on the first year of Government operation as an argument against nationalization always omit to state the cause of that deficit. They omit to state that a large increase of wages was given to the employees of the roads, and also fifty-two days per year of holidays. Of these fifty-two days eight days were consecutive days of holidays without loss of salary. Of course, at the outset, for the first year, there was a deficit. But when we go further in the operation of the road we find that in 1903 there was a surplus larger than the deficit of the first year. I may be told that Switzerland cannot be compared with Canada as it is a small country; but if Government ownership can be conducted in that country with success and if it can be conducted with great advantage in Germany and in Belgium, although Belgium is a small country, I am sure it can be done in this country. If we were to ask the people of Canada to-day to impose on themselves a tax for the buying of the railways, I am almost sure that a large majority of the electors would respond and state plainly that they were in favour of such an operation. At the present time we are taxing the people indirectly. For instance the guarantee we are liable to pay of this $45,000,000 means $6 on every man, woman and child in the country. If we were to ask an intelligent man, not a member of the House or a man in the same category as Mackenzie and Mann, but a common man of the country, a labourer if you like, if we should impose a mortgage on the head of his little boy, three months old, of $6, what would he say? That is what we are doing by the present method of indirect taxation under

that system. We have a surplus at the end of the year and the Government do not know what to do with it. This year they will have a surplus of $50,000,000 and they feel that they must either diminish the taxation or else spend that money somehow, probably they decided that the best way to dispose of the surplus money that we now have was to grant the guarantee of that $45,000,000.

Mr. A. DeWITT FOSTER: The hon. gentleman contends that we are going to pay the $45,000,000 out of the surplus? I do not follow the drift of his argument.

Mr. VERVILLE: I do not expect that the hon. gentleman will follow my argument. I have stated and I state again that we have a surplus of $50,000,000 in our revenue. That, of course, is in one way a great asset to the country; and so we have the money to guarantee that $45,000,000 which we may become liable to pay. I do not say that we will pay it to-morrow or the next day or next year, but we are liable to have to pay it; and from the arguments I have heard in this House we may as well admit that the Government will be obliged to pay this money.

We have also paid out a large amount of money. It seems to me that it would have been far better for us to wipe off some of the national debt. We should not be in a hurry over this thing, although the rap at the door of the Government states plainly that they want quick action. I have heard it stated during this discussion that many miles of that railroad will have to be rebuilt, and if that is so it will be admitted that it will cost double what it did a few years ago. Some hon. gentlemen have suggested that we should have a commission, but I remember that last year the present Government did not ask for a commission for another line of railway. We have had commission after commission, and I am sure that if a commission had made a report to this House during the present session they would have found a good place for the surplus we now have in the treasury of this country. In passing, I might mention the high cost of living commission, although I know this is not the proper time to discuss that matter. We heard a great deal about the high cost of living commission some months ago, but we have heard nothing about it for a long time now. When the proper time comes we will be able to show just how this commission works. I have heard, as has every member of this House, that Mackenzie and Mann are worth millions of dollars. There seems to be a very staunch and strong organization among millionaires, which exploits the people of this country through freight rates, and through labour. If there is one reason more than another why I object to Mackenzie and Mann coming to this House, it is because they are members of this get-rich-quick society. They are responsible for the much talked of coal strike on Vancouver Island. It has not been mentioned in this House before, but every member knows that that famous strike was started in the mines of Mackenzie and Mann. If they are so rich, why could they not grant the reasonable demand of the men? Why have they not shown some justice in that matter? That is how they act in the West. Every time Mackenzie and Mann come before this House it seems to me they have more friends than any other company. On two occasions I have heard gentlemen in this House state that they have been indirectly threatened by Mackenzie and Mann. What power is behind their threats? Is it the mighty power of their money, or something else?

I have stated that I am strongly in favour of public ownership. If we do not have public ownership we are indirectly asking the country for direct taxation. I do not know that I would vote to-morrow for direct taxation. If it was proposed to raise $35,000,000 to-morrow for the militia of this country, or say $2 a head, I would probably be against it. Not only are we forcing direct taxation on this country by granting railway and other companies the powers we do grant, but this federal Parliament is becoming a Parliament of private interests. The very rules of this House seem to favour private interests, because if any member of this House wishes to present a matter of public interest the rules debar him from doing so. We are forcing the discontent of the masses of the people in a wrong direction, and sooner or later we must assume the responsibility.

It has been said that we are going into a partnership with Mackenzie and Mann. I, for one, do not want to go into partnership with those gentlemen, because if they were absolutely honest I believe they would have put their own fortunes into this enterprise. We are also told that we are going to have forty per cent of the common stock of this company. I have read enough of trusts and mergers and over-capitalization

to know how much that is worth. When a railway is over-capitalized it has to pay dividends on two shares instead of one, and it stands to reason that we must have high freight rates; and it is impossible for the Government, either through the Railway Commission or otherwise, to dictate to these magnates what their freight rates shall be. I would favour even a greater guarantee than this $45,000,000 providing we got control of the company. If it is necessary, let us eliminate altogether Mackenzie and Mann who have been spoken of so often here as 'Sir' William Mackenzie, and 'Sir' Donald Mann. I do not believe in that kind of thing, and I am not going to do it; there is too much of it already in this country. If this road can be run by two men, surely it can be run by the Government. Only last year there was a rumour that the Intercolonial railway was to pass into the hands of Mackenzie and Mann. Of course, there would have been a great protest against that as the Intercolonial railway is the only government-owned road in this country. I claim that a government-owned railway should not make any profit. Any one who has read about the government-owned railway system of Australia knows that it has been a great help to the farming industry in that country. The same is true with reference to any other part of Europe where railways are being operated by the Government.

I want to go on record as being against this proposition for the reasons I have just mentioned. I do not want to be charged by the people of this country with having gone into partnership with Mackenzie and Mann. I would rather go into partnership with anybody else than these gentlemen. I would be willing to vote for the expenditure of even a larger amount, if necessary, and I would be willing to appeal to the country on that issue, provided we were starting immediately the government ownership and operation of railways. It was said a moment ago by my hon. friend from South York (Mr. Maclean) that we are coming to it. He is right; we are coming to it. I am sure that if there were a referendum on the question of the adoption of public ownership, at least 70 or 75 per cent of the vote cast would be in favour of that proposition. He is right when he states that some years ago he brought this question before the House and that there were then very few to help him. But the people have read since that time, the people have studied, they have become familiar with the operations of the financial and railway magnates, such as Mackenzie and Mann, which operations have been fully exposed and explained. The light which has been thrown on the subject has driven the great mass of the people to the conclusion that it would be in the interest of the country generally, and particularly in the interest of farming and industrial life, to have public ownership. I simply desired to place on record the reason why I am opposed to this grant of $45,000,000 to Mackenzie and Mann and why I am against entering into a partnership with railway magnates of that kind.

Mr. A. DeWITT FOSTER (Kings, N.S.): Mr. Speaker, I do not rise to make any extended remarks upon this subject; but inasmuch as I come from the Maritime provinces, and as the subject under consideration is one of paramount importance to the people of the Maritime provinces, and considering the conditions which have been placed in the resolutions submitted to this House, I feel it incumbent upon me to say a few words in favour of the agreement which the Government has made and to take advantage of the offer that was made by the hon. Solicitor General (Mr. Meighen) in his speech the other evening, in which he asked the members of the House, at the proper time, to make any suggestions they might have to better the agreement. It does seem to me that the spirit in which the resolutions were brought before us was the proper spirit for the introduction of such resolutions to the House and to the country. If there is one feeling apparent on this House on both sides, a feeling that is shared in by every member, it is that this country is face to face with one of the most gigantic problems with reference to the transportation business that we have had to solve or that any government or people has had to solve. There seems to be an accepted realization of this fact on both sides, and there seems to be also a realization of the further fact that something has to be done. That much is admitted by the right hon. leader of the Opposition (Sir Wilfrid Laurier), by the hon. member for Calgary (Mr. Bennett), and by the hon. member for Kingston (Mr. Nickle). Let me say here that these two hon. gentlemen, the hon. member for Calgary and the hon. member for Kingston, delivered speeches, the equal of which has seldom been heard, and the superior, rarely within the four walls of this Chamber, if

I can read and judge the speeches that have been placed upon the pages of 'Hansard' in the past. Volumes of information in detail were given to the House by these hon. members, and while the majority cannot agree with their viewpoint, I, for one, am proud to stand up in my place and say that I believe each one of these hon. gentlemen was actuated by the highest possible motives of service to the country, and that, from their own point of view, both performed what they regarded as a public duty.

On the opposite side of the House there seems to be a scattering fire directed against these resolutions, but as has been pointed out, that fire is not directed to the principle of the measure which has been brought forward by the Government. From the viewpoint of a young man in politics, it seems a good omen that there are occasions when the sound common sense of both sides of the House, realizing a national duty, will accept the principle of a measure and direct its criticism to working out the details. While the Opposition has a duty to perform in criticising the details of public measures, and while, though our views differ from their's, we must in all fairness submit to such criticisms, it does seem to me that they are actuated by a desire to perform a service to the country and that all the enthusiasm for public service is not confined to the side which happens to be behind the Government benches.

I have, at the opening of my remarks, to congratulate the Government upon the manner in which they have settled this very serious problem. I am glad to be able to congratulate my right hon. friend the Prime Minister (Mr. Borden) upon the brave, bold and definite manner in which he has taken up the difficulties that he has found himself confronted with, and has applied himself, together with his colleagues, to the solution of these problems. I have heard nothing so far in the country, nothing from my own constituents, but commendation of the Government for having taken hold of this proposition at a time when the financial conditions were suffering somewhat and at a time when foreign credit could be materially hurt by any failure of the Government to act promptly in dealing with great national problems of which this one, if not the chief. Probably 75,000 or 80,000 men in the old country have put their money into this Canadian Northern proposition, realizing that it was backed by the Government of Canada; whether wisely or unwisely is a matter of viewpoint. But they put their money into this proposition, and under those circumstances what would be thought of this Government and of this country should that proposition fail and go into the hands of a receiver? What would be the impression created in the minds of those 70,000 men who had put their money into this enterprise in this young country? These men are living at the very heart of the country to which we will look in the future for a great amount of capital to further develop this country in order that it may take its place amongst the foremost nations of the world. What would be the result, I ask? It does seem to me that nothing short of a panic would be created in the minds of these people and, instead of capital flowing into this country, it would seek an outlet in other directions, where governments, when they embarked upon a proposition, were strong enough to see that proposition was carried out to a successful conclusion. It is a fundamental principle of economics that capital is very shy; men do not put their money into enterprises unless there is a reasonable return and unless that reasonable return is surrounded by safeguards. It is for this reason that those who have money to lend in the old land have invested in Canada, because they have faith in the country and they realized that our railway and municipal securities were safeguarded by the people speaking through their representatives in the Dominion and provincial parliaments. I believe that the Opposition in this House realize that were they in power to-day facing this problem, they would have to do the same as the Government has done. It appears to me that we should set ourselves not so much to carping criticism as towards the task of showing the people of this country the absolute necessity for the proposition which has been presented to the House by the Government, and which has been agreed to in principle by both political parties. There is a disposition amongst some politicians to mislead the people with regard to great issues, and it does seem to me that above the desire to obtain a petty party advantage it is the duty of public men to instill into the minds of the people the truth about public questions. It is, in my opinion, the duty of the Opposition in this House to admit the facts, and to tell the people of Canada that the Government has endeavoured to extract the country in the best possible way out of the difficulty in which it found

itself in connection with this Canadian Northern railway. I am a firm believer in the principle that the representatives of the people should always trust the people. I was somewhat interested in the remarks made by the hon. member for Maisonneuve (Mr. Verville), because I think that sometimes he does endeavour to place before this House the views of the labouring people of the country. In my humble opinion, he often beclouds his better judgment by his partisan bias, but for all that I give him credit for placing before us what he conceives to be the ideas of the labouring people. I could not, however, understand the drift of his argument this afternoon. I have no doubt he thinks I am rather dense, and I do not take credit for any great ability, but when I asked him the question I did, it was not in the way of captious interruptions, but in order to get the drift of his mind, as I supposed he was presenting the viewpoint of the people whom he claims to represent. I confess he left me as much in the dark when he answered my questions as I was before. We are about to guarantee the bonds of this company, and if the company goes into liquidation we will take over the road subject to the indebtedness thereon. If the Liberal party were in power they could not do better than that unless they gave a greater guarantee than it is now proposed to give, and so, where was the argument of the hon. gentleman (Mr. Verville). He says we pay this $45,000,000 out of surplus, and I asked him if that was what he meant, and I confess that his answer did not clear up the situation. The hon. gentleman did say that this Government, since it came to power, had been juggling with millions, and it seems to me that the hon. gentleman having supported the Liberal Government for a number of years knew something about their juggling of figures, and that perhaps when he used that language he had remembered things that had happened in the past and was speaking out of meeting. We know that in the matter of railroad construction the late Government juggled with something like $234,000,000 and we had a report before us which said that $40,000,000 of that was juggled uselessly and needlessly from the public treasury. It may be that the hon. member for Maisonneuve was thinking of the past experience of his party in that respect. And notwithstanding the fact, that the hon. member for Maisonneuve was opposed to the proposition now before us, he went on to say that he would be willing to support the vote of a larger sum of money if he could be sure that the Government would have control of the situation. It seems to me that the hon. gentleman has had a change of heart on the question of public ownership. I have never heard him speak in this House in favour of it, nor have I been able to find any of his speeches in 'Hansard' in which he advocated the principle of public ownership. At any rate, he supported a Government whose declared policy was against public ownership.

I want now, Sir, to address myself for a few moments to a point which I think was admirably taken by the hon. member for Calgary (Mr. R. B. Bennett), and that is, the question of whether or not this country, with its seven millions of people, is in a position to support three transcontinental railroads with an aggregate of thirty-three thousand miles of rails? I am aware that I shall be confronted at once with the oratory of the right hon. leader of the Opposition, for whose oratory no man in this country has a more profound regard than I. I yield to no man in my admiration for the right hon. leader of the Opposition in certain respects. I am aware that I shall be confronted with his oratory, which will say to me that there are men in this country who believe that if our population is not to be greater than ten millions, these three transcontinental railways are too many. I do not think there is a member in this House, nor is there a thinking man in this country, who believes that Canada will remain with a population of seven millions, or eight millions, or even ten millions.

The normal increase in our population is 400,000 per annum. For a country of this size and of the diversified conditions that we have 400,000 people are far too many for us to assimilate and to make good citizens of in one year. Supposing we are willing to grant that Canada will increase at a normal rate as regards population, I take absolutely the same position as the hon. member for Calgary took in saying that this country is not to-day and will not be for some years to come in a position to support three national transcontinental railways with all their branch lines, with all their extensive capitalization, and at the same time to give to the people, what the hon. members from the West on the opposition side of the House have been clamouring for, namely, lower freight rates.

I propose to put upon 'Hansard' a few figures which I have worked out and which are of course subject to correction; but I think they will be admitted by hon. gentlemen as being practically in accordance with the facts. We have to-day in this country about 1,300,000 producers of all classes, of whom, speaking in round numbers, 700,000 are engaged in the business of farming and the balance in manufactures or subsidiary employment, but all are in the class of producers. We have in this country 30,000 miles of railway which, as was pointed out the other night, is the largest mileage in any country on this side of the Atlantic with the same population. That is to say there is one mile of railway for every forty-three producers in this country. I take $102,000 per mile as the capitalization of the Grand Trunk Pacific, $75,000 per mile as the capitalization of the Canadian Pacific and about $60,000 per mile as the capitalization of the Canadian Northern railway. Taking the average of these three, I get about $75,000 per mile as the average capitalization upon which the railroads must earn their fixed charges upon their bonds and also a dividend to pay the stockholders, whoever they may be, 6 per cent. Some railroads pay more than that, but other roads will pay 6 per cent. Let us take the average dividend on the three systems at 6 per cent, when they get running in good shape, and after paying interest on their bonds. Some one will say that the Canadian Northern railway and the Grand Trunk Pacific will never pay 6 per cent. I am not saying that they will; but I say that after they pay the fixed charges of 4 per cent or 4½ per cent on their bonds and then pay a dividend on their common stock at the rate of six per cent, we shall have a condition something like this. Forty-three producers in this country will have to support one mile of railway, the average capitalization of which is $75,000. Suppose that the bonds are at four and one-half per cent and the stock of the company averages one-quarter of the total capitalization, upon which stock six per cent dividend is to be paid. Then, the charges will be at the lowest calculation, $4,500 to $5,000 per mile on each mile of those 30,000 miles of railway. There will be therefore, forty-three people taxing themselves for the support of those railroads, and each of them must pay at least $102 per head in order than these railroads may be supported. Just think of forty-three producers being taxed at the rate of $102 per head whether or not they send a pound of freight over the railroads.

To put it the other way, take 30,000 miles of railway capitalized at an average of $75,000 per mile. That will make a total capitalization of something like $2,250,000,000, upon which six per cent has to be earned, or $135,000,000, by 1,300,000 producers, or over $102 per head for each one of them. It seems to me that, in the face of a condition like that, we are certainly in advance of the conditions of this country when we say that we should have three national transcontinental railways. If we had a state-owned system in this country with one main line, 5,000 miles long, running across the country from the Atlantic to the Pacific, with the other 25,000 miles of branch lines connecting with that main line, thereby opening up a tremendous area of territory and lowering freight rates as it would, bringing in a larger number of people by affording them railway facilities, when this country had 15,000,000 or 20,000,000 people, we might then be in a position to support that mileage; but at the present time, in my humble judgment, we do not need three transcontinental systems. That view, however, was not held by the ex-Premier of this country and the gentlemen who supported him. They went out of power in 1911. The King's business must be carried on. We came into power, and we are now face to face with this proposition. Therefore, it seems to me that the Government have set themselves to deal with this proposition in an able and efficient manner.

We have often heard it said in this House during this debate that the security which this Government is getting is of no value. I shall have only one word to say in regard to that. Whether or not it is of value, I am not competent to judge; but I say that, as far as I can understand from listening to hon. gentlemen on both sides, it is all the security we can get. I have never heard an hon. genfleman of the Opposition pointing his finger to one single bit of security that we can get outside of what we have taken. It is true I have heard two or three hon. members say that we should have the majority of the stock, and the next moment some one says that the stock is of no value. If it is of no value, what is the use of having the majority of it? The stock is the controlling power, you say, of the road. Perfectly true. Let the Government take the controlling power of the road, and what does it carry with it? Surely hon. gentlemen will admit that it carrys with it responsibility, and that the present promoters may

well say: We will lay down the proposition, having only forty per cent, and the Government can go ahead and finish the road. The minute you have taken that controlling power, you have robbed that enterprise of the driving power of personal profit. I say: Let that driving force actuate through the promoters until the road is finished, and then the agreement on the table of the House provides that, if they do not satisfactorily carry out the conditions, the road comes into the possession of the Government. What better arrangement could you have?

There is, however, one suggestion which I should like to make, a suggestion which, if carried out, would in my opinion, be to the interest of the people whom I represent, firstly, to the interest of the Maritime provinces secondly, and to the interest of the Dominion as a whole. Hon. gentlemen may think that I should put them the other way about and speak of the interest of the Dominion first; but I shall be selfish for the moment. My suggestion relates to the transportation of the products of this country after they reach the Atlantic ocean either at the port of Halifax or the port of St. John. While I have no fault to find with these resolutions, yet when the matter is in Committee of the Whole, I should like to suggest that steps be taken to add to the agreement a clause that Mackenzie and Mann shall withdraw their steamships from the combine that operates between St. John and Halifax and London and Liverpool, and should carry freight from Canadian ports to the other side of the Atlantic at fair and reasonable rates instead of the fifty or hundred per cent increase in rates charged by the transatlantic combine within the last two or three years. But, somebody says: The moment they do that the combine that is left, including the great shipping interests on the other side, will put down their rates and drive the Mackenzie and Mann steamships out of business. Well, Sir, speaking for myself, if they do that, and it can be shown to the representatives of this Government through a commission appointed for the purpose that that has been done. I should be prepared, in the interest of the farmers I represent, who ship nearly two millions of barrels of apples every year, to vote that the Government should recoup to the company every dollar they lose by the action of that combine. I would go further and say that under such conditions the Government could well have its own steamship line. And if the Mackenzie and Mann ships are not enough, I would recommend the Government to ask for a vote for the requisite number of steamers—say five —costing about $2,500,000, so that we could make a beginning of a steamship line with the two or three boats that Mackenzie and Mann already have in operation.

I accept the resolution as brought down to this House as the best bargain with a railway company, or other company, ever made by a Government in Canada and submitted to Parliament. I have made my suggestion of an addition to that bargain. That may be found unworkable by those in charge of the resolution. I give it for what it may be worth. I am not assuming the position of one having superior knowledge or knowing more about the matter than those who framed the resolution. I offer it in the spirit of strong endeavour to assist my constituents and assist the country in the solution of another problem which this Government has to face if it is in power or that the other party has to face, should it come into power, and that is the problem of transporting our products to the world's market in the face of the combine that is extracting from $6,000,000 to $8,000,000 from one class of our people and many millions more besides from other classes. That is the problem the Government must face, and I have confidence in the men who sit upon the Treasury benches that they will take the matter into their consideration and will deal with it as they have dealt with other problems which have faced them, problems which they have solved in the interests of the people.

This bargain is of advantage to the Maritime provinces, as I have said, from the fact that the agreement has given us what we have not had before, transcontinental traffic, instead of being diverted to Portland, as has been the case under previous agreements, must, under this agreement, come down to the ports of St. John and Halifax, and, more than that, must come down at a rate not higher than that upon goods billed to Portland or any other American port which may happen to be a little nearer geographically. That is directly in the interest of the Maritime provinces and of the county I represent. Why? Because the more traffic we have coming down to Halifax and to St. John, the more steamship accommodation will be afforded them. We are spending millions in developing the port of Halifax and putting its waterfront in shape to

handle transcontinental traffic. The greater steamship facilities we have, the greater opportunity the farmers of my county and of Nova Scotia and of New Brunswick and as well as of the rest of the Dominion, are going to have for the transportation of their products to the markets of the world.

For the reason that I consider the bargain the best bargain that could have been driven under the circumstances and considering the conditions in which we find this country to-day; for the reason that every safeguard so far as I know has been provided to protect the interests of the people from East to West; and for the reason that it gives us the transcontinental traffic to the Maritime provinces and thus in the future will aid in disposing of the products of the Maritime provinces and of the country generally by better steamship facilities that I have much pleasure in supporting the resolutions this Government have introduced into this House.

Mr. ROCH LANCTOT (Laprairie-Napierville): Mr. Speaker, the resolution proposed by the hon. Prime Minister in order to give aid by granting the Canadian Northern railway the sum of $45,000,000 is so important that I thought I would fail in my duty as representing the electors of Laprairie-Napierville, did I not express my views on this question.

I must say, first, that I shall not speak at great length. I shall insist but very little upon discussing the report submitted to us after being prepared by the employees of the Canadian Northern railway and also by Messrs. Mackenzie and Mann, the parties most interested. Mr. Speaker, I wonder why the Government did not take as much precaution in the case of the Canadian Northern railway as it did in the inquiry which it made on the construction of the National Transcontinental railway. And why did this Government take such precaution as regards the inquiry held by Messrs. Gutelius and Staunton? Not because they wished to know whether the country should continue that enterprise, but merely in order to find out whether the people's money had been spent honestly by the commission appointed by the former Government to build the National Transcontinental railway. That report as laid on the table of the House states that $140,000,000 have been spent and that not a cent of that sum was converted to the personal benefit of the members of that commission. It is said, in that report that the road costs too much, that we should have built it for less, that everything is first-class, but that we should have built wooden bridges; in fine, that we should have built a second-class or a third-class road, and, that we should, after a few years, have done like the Canadian Pacific railway people, who are now replacing wooden bridges by iron bridges, and 60-pound rails by 85-pound rails.

Is it not true, Mr. Speaker, that the commission has acted, in all this, according to the agreement passed in 1903, between the Government and the Grand Trunk railway? This road has cost more than the Government of that time thought it would; but we all know why there was an increase in the cost, it is because there was an increase in the price of materials, in the price of labour, etc. One must also consider the fact that the part of the line which extends from Quebec to Cochrane runs through a district which is uninhabited; that, as regards some parts, the nature of the soil must be taken into account, that, here and there, mountains had to be cut through, mountains of solid rock, even; that immense lakes had to be crossed over; and that, furthermore, the contractors had to carry the materials necessary to do that work. I say, then, that the cost of that road cannot be taken as a basis for a comparison as to the cost of the Canadian Northern railway. Considering, moreover, the quality of the Transcontinental as compared with that of the Canadian Northern railway, which is, after all, but a colonization road and a road built with a view to earning subsidies in many a case, no reasonable comparison can be made as between those two enterprises.

Mark you, Mr. Speaker, I am not casting any blame on the Government for having inquired into the construction of the Transcontinental. On the contrary, I am glad that they have done so, and this enables me to tell you that if the Government can be justified for having spent some hundred thousand dollars in order to know whether they could find some fault with the former Administration, they would be justified a hundred-fold if they made a complete inquiry under oath on everything connected with the construction of the C. N. R., before asking this House to vote $45,000,000. Such an inquiry would put the Government in a position to submit to this House and to the people of this country a report showing where we stand and what amount is required to complete that railway. It is quite the reverse. What does the Govern-

ment say? That this road costs more than was anticipated, that there has been an increase in the price of materials and of labour. Mr. Speaker, I am surprised to hear such statements on the part of the hon. Postmaster General, of the Solicitor General and of the Minister of Finance. When the report made by Messrs. Gutelius and Staunton was discussed in the House, did they use that kind of argument, and while admitting that the Transcontinental had cost too much, did they explain as they are now doing with respect to the Canadian Northern railway, what was the cause of it? No, Sir, that report was intended for casting discredit on the former Administration, that is all.

The hon. Solicitor General, the mover of this resolution declares that the Canadian Northern railway cannot go on with their enterprise. By-the-way, I must congratulate the Postmaster General upon having so wisely chosen the present Solicitor General. If that hon. gentleman does but very little work for his country he does a good deal for his party, either by preparing reports against the former Administration or by getting the House to swallow legislation which is not in the interest of the people, but in the interest of certain private individuals, and in this line does the Solicitor General excel.

Mr. Speaker, I am a farmer by trade. I do not claim that I can discuss this question with the hon. Solicitor General from the standpoint of all the craft which could be resorted to by a cunning lawyer, but I wish to discuss it with you for a few moments from a business standpoint, as it should be discussed.

In 1884, the directors of the Canadian Pacific railway wanted government help and what was the position taken by the Government of that time? The Government exacted from the directors that they should make themselves responsible for the full value and then the Government was the second endorser. And how could they do otherwise? Is it not a fact that he who endorses notes right and left and does not look to the solvency of the makers, is, in most cases, called upon to pay those notes? This enterprise was started in 1896 by Mackenzie and Mann. What were these gentlemen in 1896? Not very rich men, were they? Today, they are rich and they are presumed to be the wealthiest men in Canada. In what line of business did they make their fortune? They made it as contractors, in the construction of the Canadian Northern railway. Those funds have not been used for the benefit of the Canadian Northern railway, but they were invested in private enterprises such as the Toronto Street railway, the electric railway which runs from Niagara Falls to Toronto, the Winnipeg Electric railway, coal mines, petroleum wells, timber limits in British Columbia. They own millions of acres of land everywhere in the country. I am told that these gentlemen possess a personal wealth in Canada, in the United States and in Mexico, of one hundred million dollars at least.

Such being the case, Sir, I wonder why this government does not exact from these gentlemen that they should become first indorsers, as was exacted by the government of Canada, in 1884, from the directors of the Canadian Pacific Railway, that is, while the government of Canada would guarantee the balance if the personal property of these gentlemen were not sufficient to pay that balance. In 1884, the government would have been called upon to pay the balance only. In the present case, if the government demanded that the personal property of Mackenzie and Mann should be put in as a first class guarantee, I would not object, as far as I am concerned, to this government being second endorser.

Here is the reason why I am opposed to this resolution. Last year, the Minister of Finance asked this House for $15,000,000 to complete the road and this was to be a final grant. This year we are asked three times as much, and the report now before us shows that it will take $100,000,000 more to complete this same road.

I believe, sir, that this main line, called a new transcontinental will never be operated at a profit for the following reasons: First, this line is not built in such a way as to facilitate the running of heavy trains loaded with wheat from the West, because the grades are too steep, and then, the road as it is built cannot compete to any advantage against the existing lines, that is, the Canadian Pacific Railway and Grand Trunk Pacific, moreover, Sir, I am satisfied that the object of Mackenzie and Mann is not to operate that railway system themselves, but to draw from it as much profit as possible, in their personal interest. I find the proof of this in the fact that the government does not demand these gentlemen's personal guarantee and I am sure that Mackenzie and Mann would have refused it if it had been demanded.

As I said a moment ago, Mackenzie and Mann own millions even in Mexico, as was asserted by the British Vice-Consul at Monterey, in an interview which he gave the reporter of the ' Ottawa Evening Journal'

at Ottawa on Thursday last, the 14th instant. Here are the very words of the vice-consul as reported by that paper:

> In Monterey, Mackenzie and Mann own $14,000,000 worth of property. The street railway and the town's lighting and part of the railroads belong to them.

As you see, these gentlemen are not much to be pitied, after all, and those are not their only investments outside of Canada.

Sir, I do not want the government to give Mackenzie and Mann any aid if they refuse to risk their own money in their own enterprise, which they know better than we do, because it would mean that it is not safe for us to put money in it. And if it is in the interest of the people that the enterprise should be continued—and I do not hesitate for a moment in saying that it must be continued—then, let the government undertake to complete the line, let them ask tenders to that effect at once, and the country will, thereby, get its money's worth. Meanwhile, let us make a most complete inquiry, let it be held by competent men, by men who have thrown off all party spirit, so that, next session, the House and the country may know where we stand. When the House has secured, thereby, all the desirable information, it will be in a position to decide knowingly. Otherwise, Sir, we shall get no practical result and the people of this country will not be satisfied. This road owes, now, $312,000,000. This item of $45,000,000, if voted by this Parliament, will bring the debt up to $357,000,000. I think I am safe in stating that it will take many times that amount to complete this line. Last year, the honourable Minister of Finance asked $15,000,000 and said that it was to complete the line. Mackenzie and Mann met with such a success that they are asking three times more this year, that is, $45,000,000. Next year or more certainly in two years from now, they will ask $100,000,000, and we shall hear it said then as we do now, that aid must be given to that extent. I do not think I am misleading you, Sir, in saying that this railway will have cost at least $500,000,000 when completed. Then, additional work must be done on hundreds of miles of this system to reduce the grades, to substitute iron bridges for wood bridges or 85 pound rails for 60 pound rails. I think I am moderate in stating that it will take at least $100,000,000 to put this line in a proper condition. This being added to the $500,000,000, the road will have cost $600,000,000, and the country will be almost sure to take it over some day or other. Then, I wonder why the government should, from year to year, advance such sums as the one which is being asked. If Messrs. Mackenzie and Mann were so able to make a fortune for themselves and so successful in procuring the welfare of the Canadian Northern Railway Company, are we not justified in believing that a good proportion of this $45,000,000 grant will be used to the personal advantage of these same gentlemen? Though the honourable Prime Minister has said that Messrs. Mackenzie and Mann made nothing and realized no profits in this enterprise, the facts are there, and the facts show that these gentlemen are perhaps worth $100,000,000 whereas they were but small contractors when they started this enterprise. They were not having, then, such an easy time as to-day, and far from it.

Owing to this order of things, there will soon be nothing left in the treasury, not even enough to pay the pension of the judges on the retired list, and I hope that the seeds which I have sown will then spring up and that the reforms which I have advocated will be brought about, at last, although they have not been adhered to by a great many people. I even hope that I shall then get the sympathy of certain ministers.

Why, Sir, such a long delay in bringing before the House such important measures? We have been here ever since the 15th of January, and it seems to me that the government has had ample time to submit this question before to-day. If they had done so, Parliament would have been able to discuss it at full length instead of having to make haste because prorogation is drawing near. It is always the same thing in this respect and the present government deserves no more blame than the former. The fact is that, when we were in power, the government used to wait till the end of the session to submit measures of that kind. This item of $45,000,000 savours of elections. Under similar circumstances, general elections would surely be expected, when we were in power.

Would it not be more in the public interest that such matters should be submitted to the House at the very beginning of a session? The honourable Postmaster General cannot help thinking that this is but fair and reasonable. The same may be said about the question of reimbursing the depositors of the Farmers' Bank, the government waited till the end of the session to submit this measure. It is something like going to confession and dealing first with the venial sins while the big ones are left aside till the confession is at an end. I say that the political parties act in like manner most of the time. There must be a change. I have advocated many changes

but I have met with no big success as yet. I wish to declare, before concluding my remarks, that governments must, hereafter, keep on the lookout and beware of magnates such as Mackenzie and Mann. Rumour has it, even, that those magnates dictate to the Prime Minister the choice of his colleagues, as the case requires. Moreover, part of those millions granted by Parliament must be set aside in view of the elections. Well, I say here to the government: Deal with politics for the benefit of the people and you will need no election fund in view of the coming elections. But should you keep on administering the common weal as you do now, Mackenzie and Mann will never be able to give you enough money to bring you back to power.

For all those reasons do I say that I am against the idea of granting Mackenzie and Mann those $45,000,000.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILL.

SECOND READING.

Bill No. 199, for the relief of Florence Merritt.—Mr. Boys.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Hon. RODOLPHE LEMIEUX (Rouville): Mr. Speaker, I do not intend to detain the House more than is necessary in order to take a stand on the question which is at issue before the country; and I shall condense my remarks, I hope, within a very short space of time. Nothing can be added to the very able arguments which have been adduced pro and con on both sides of this House. Sir, this is the most important piece of legislation which has come up before us this session, and I daresay it is the most important piece of railway legislation which has come before this Parliament since the inception of the National Transcontinental railway in the year 1903. I must confess my regret that my friends on the Government side have thought it proper to bring in these resolutions in the dying days of this session. I say that though we on this side of the House may have been guilty of that same error of judgment, yet were we not told at the last federal election that this Government would be so superior to all others that the people would never hear of such weaknesses, of such sins and crimes as had been imputed to their predecessors? I say, Sir, that this Government has gone against one of its most cherished pledges, namely that no important legislation would ever be brought in in the dying days of a session. I still remember the resonant tones of my friend the right hon. gentleman who leads the House (Mr. Borden) when he sat on this side, complaining bitterly of the attitude taken by the Liberal Administration because, forsooth, some legislation had been brought in on the eve of prorogation. He rose in his might, as representative of the people, in protest against such methods. I say, turning his argument against him to-day, that it is most unfair on the part of the Prime Minister and of my hon. friend the Solicitor General and all of those who have conceived this iniquitous measure, to come at this late hour and force it on us. The Liberal party take their orders from the people. They do not take their orders from corporate interests; and their orders at the present moment are to oppose this hasty legislation. I will go so far as to say that even if these resolutions were justified in the least, it is too late now to deal intelligently with them and it is improper to seek to get the endorsement of the House of Commons, because it is not sufficiently informed to pass judgment on the matter. Let us for one moment compare the attitude of the right hon. gentleman when he was the leader of His Majesty's Opposition with his attitude now that he is the honoured Premier of the Dominion of Canada. You, Sir, remember how in 1897 the Laurier Administration introduced in this House a Bill by which a contract was to have been ratified with the same gentlemen who are before us to-day, Messrs. Mackenzie and Mann, for the construction of a railroad binding the settled portions of Canada with the new gold fields of the Yukon. The Liberal Government did not even give subsidies to that company; it only provided that, in order to get an all-Canadian road built for the gold diggers and for the traders and business men of Canada, alternative blocks of land in the far-away district known as the Yukon were given to Mackenzie and Mann, and I remember the condemnation, the very severe and striking condemnation, which my hon. friend passed on the Government of the day because, forsooth, it had dared to sign a contract with Messrs. Mackenzie and Mann under the circumstances to which I have just alluded. The measure was combated on the floor of this House, and you will permit me to say that I especially remember the speech you your-

self, Sir, delivered on that occasion, when you pictured with your imagination—you were a much younger man in those days—the crops of gold that Messrs. Mackenzie and Mann would reap in the solitudes of the far north. The measure was strongly opposed by gentlemen then sitting on this side of the House, and finally, when it emerged from this House and was transferred to the Senate of Canada, there was then a Conservative majority in that venerable body—where the measure was ultimately defeated.

What happens to-day? In the dying days of a long session we are asked by the Prime Minister and his associates, without having any mandate from the people of Canada, and with a levity unknown before in the annals of Parliament—some hon. gentlemen opposite, however, are less enthusiastic than others; we have not yet heard from the Minister of Trade and Commerce on this question—no, we are not asked, we are railroaded, nay dragooned, into a questionable partnership, to say the least. Mr. Speaker, you might perhaps think I was exaggerating, if you did not know I am not given to exaggeration. I take my incentive, so to speak, in opposing this legislation from the very words spoken by the staunchest friend of the Government. I do not know within the precincts of this House or anywhere north of the forty-fifth parallel a stronger partisan than the hon. gentleman who represents St. Antoine (Mr. Ames). I do not know a better Tory than he. At the last general election he paved the way for the then Opposition to reach the Government side of the House by concocting the unholy alliance we heard so much about during the first two sessions of this Parliament. He more than paved the way; I should have said that he financed the then Opposition to where they are at present sitting. Sir, how can I approve of these resolutions presented to us to-day after listening to the description of the bargain as given by my hon. friend the member for St. Antoine? I hold my brief in my hands and it is prepared by the hon. member for St. Antoine. After having exhausted all possible and impossible arguments in favour of the proposed guarantee, he said:

> To conclude, I will simply summarize in a word what I have been endeavouring to demonstrate. This is a bad situation at the best.

So, we are begged to help the Government in a bad situation at the best. But the hon. gentleman went a little further:

> I have heard this agreement described somewhat as a case where the culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case.

With all apologies to my hon. and learned friend the Solicitor General, I would ask him to listen to this description of the transaction given by the hon. member for St. Antoine:

> I have heard this agreement described somewhat as a case where the culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case.

I would not libel my candid friend the Solicitor General by saying that he is responsible for this agreement by which we are asked to join into a partnership with a set of culprits who have confessed judgment and been let out on suspended sentence. The hon. member for St. Antoine continues:

> The trial is over. We have undertaken to give them a last chance and it will never be necessary for them again to come here and undergo a complete discussion such as is taking place this session. They have been tried; I may almost say they have been found guilty and let out on suspended sentence. If there is an event of default; if they fail to perform the obligations that by this new trust deed are placed upon them, the axe drops and that is all there is to it.

Mr. Speaker, have you ever heard such a melancholy tale as the one told this House and the country by a gentleman of the standing of the hon. member for St. Antoine, who represents perhaps the wealthiest constituency of Canada, and who is an honest business man and, also, a dyed-in-the-wool Tory jingo? We are coolly asked to join in a bargain with culprits let out on suspended sentence and who will again come before this House; yet such is the faith of a good Tory that we must give them another last chance! I say with my hon. friend from Calgary (Mr. Bennett) that we should pause, ponder, and reflect before entering into this disastrous bargain. For what does it represent? It is all very well to say that the Government is not giving spot cash to the railway company, but only guaranteeing its bonds; but we must not becloud the issue. When a friend in need comes to me with a note and asks for my endorsement, I know what I am doing. If he is solvent and has the necessary backing, if he has never defaulted or deceived me, I cheerfully grant him my endorsement; but if he has deceived me, if, admittedly, he is insolvent I know what are the consequences of my

endorsement. And what does our new guarantee represent to the country at large? By the census of 1911, the population of Canada is estimated at somewhere around 7,100,000. This $45,000,000 guarantee represents a sum of $6.32½ for each man, woman and child in the country to pay when called upon. The population of Canada, according to the last census, is made up of 1,420,000 families. This $45,000,000 guarantee represents for each family a sum total of $31.75. The province, which I have the honour to represent with my fellow members from Quebec, has a population of 2,100,000, and this guarantee represents for that province a liability of $15,800,000. Therefore, with the hon. member for Calgary (Mr. Bennett) and the hon. member for Kingston (Mr. Nickle), I say: Let us pause, ponder and reflect before endorsing the note which is handed to us. Last year, again, in the dying days of the session, my hon. friend the Minister of Finance (Mr. White) came before Parliament with a request to make a gift of between $15,000,000 and $16,000,000 to Mackenzie and Mann. We were assured most specifically that this would be the last time that assistance would be asked from this Parliament for Mackenzie and Mann. We have been sadly deceived. Every one on this side of the House said that these gentlemen would not have enough of this $15,000,000 and that they would come back again at the next session and urge Parliament to give them further assistance.

Sir, if I am a little outspoken in my opposition to this assistance I may say that it is because, during the recess, while visiting my constituency, I was taken to task by some of my electors because, forsooth, we who belong to the Liberal party, did not oppose as strenuously as we should have this gift of $15,000,000. I explained to my electors that the Opposition was not responsible for the procedure in the House of Commons, that it had to consider legislation at the date of its presentation in the House at the hands of the Government. I explained to my electors that this legislation was introduced during the last hours of a protracted session, after the Liberals had fought the battle of the people on the $35,000,000 gift to the Admiralty. I said to my electors that the Liberal party had opposed with all its might and courage the raid made upon the treasury. You remember, Mr. Speaker, that three important amendments were moved, one by my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), one by my hon. friend the ex-Minister of Railways and Canals (Mr. Graham), and one by my hon. friend from Edmonton, the ex-Minister of the Interior (Mr. Oliver). One amendment was to the effect that instead of making a gift we should make a loan to the Canadian Northern Railway Company, taking the proper securities, as we had made a loan previously to the Grand Trunk Pacific, taking the proper securities. Another amendment, which was moved by my hon. friend from Edmonton on behalf of the western farmer, was one according to which Parliament was to insert in the Bill a clause by which there would be no discrimination, no differentiation, as between eastern and western rates. The third was an amendment moved by my hon. friend from South Renfrew, by which he insisted that a clause should be inserted to the effect that a Canadian railway system taking assistance from this Parliament and receiving millions by way of pure gift, should at least, from the Atlantic to the Pacific, come under the control of the Railway Commission at Ottawa. You know, Mr. Speaker, that these three important amendments were defeated in the House. What could the Liberal Opposition do more than oppose the measure as it was presented by the Government? There is an old French proverb which I would not care to translate, because proverbs are hard to translate, but those of my fellow members who understand the French language will see the pith of the proverb, 'Chat échaudé craint l'eau froide.' Sir, we were deceived last year when we were assured that $15,000,000 would be the last assistance of that kind. I do not intend this year to accept the promise of the Government that this will be the end of all assistance required to build the Canadian Northern railway.

Even during this session, when the attention of my right hon. friend the Prime Minister (Mr. Borden) was called to some articles in the press which prophesied that within a very short time legislation would be introduced to further aid Messrs. Mackenzie and Mann, by way of a large guarantee, the Prime Minister rose in his place and declared that all these rumours in the press were a tissue of falsehoods. Not very long ago my hon. friend the Minister of Finance made the following careful denial of these rumours to the House of Commons:

> I can give an explanation of the statement which I made to the press, but as to the statement of Sir Wm. Mackenzie, or as to any remarks that may be attributed to him, of course I cannot speak. My hon. friend has correctly read what I stated to the press, namely, that no application had been received for assistance by way of loan to any railway company, nor was

any expected to be received. So far as I am aware, that is a correct statement of the facts.

Any one listening to the candid denial of the Minister of Finance would have thought that this session would not have seen the spectacle which it now enjoys. But the two gentlemen who came to us last year for the last time are again before us. No one who listened to that denial, no one who listened to the denial of the right hon. gentleman who leads the Government would ever have believed that those resolutions would be introduced.

What does this bargain mean? The country has already provided two-thirds of the capital which has gone into the construction of the Canadian Northern railway. The country now becomes a junior partner with Messrs. Mackenzie, Mann and Company. Forty million dollars in common stock will be allotted to Canada and sixty million dollars to Mackenzie and Mann, who, besides having control of the road, will have control and ownership of the stock. If the bargain should happen to be profitable, they will reap all the profits, but Canada being the junior partner assumes all the liabilities, past and future. If peradventure the enterprise should become insolvent, Canada will bear all the burden, and these two senior partners will not risk a dollar of their money in the venture. The people of Canada as a whole are opposed to this bargain on its very face, and when I speak of the people I refer not alone to those who profess the Liberal faith; but as well to all the independent citizens of this country. The Orangeville Sun, a paper very friendly to this Government and a dyed-in-the-wool Tory paper, recently contained a statement which summarizes the strong opposition there is in the farming community of Canada against this bargain. The Orangeville Sun said:

It would be high treason against the people for the Borden Government to give Mackenzie and Mann another cent.

Mr. MEIGHEN: That paper supported reciprocity.

Mr. LEMIEUX: So much the better, for it shows that the paper is a friend of the farmers. The hon. gentleman will not deny that it is a Conservative newspaper.

Mr. MEIGHEN: It is anything but that.

Mr. LEMIEUX: My hon. friend seems to be sure of that and I will look for the next issue of the Orangeville Sun to see what it thinks of the Solicitor General. The present Government, I am sorry to say, always stands for the interests. In spite of the large delegations which came from the farming constituencies of Ontario and the West before this session, demanding free wheat, the Government has persistently refused to give the American market to the Canadian wheat growers. This Government has refused and still refuses to reduce the taxation on food, when there are thousands of hungry unemployed in the large industrial centres of the country. This Government has refused, in the interests of the powerful manufacturing corporations which control that industry, to reduce the duties on agricultural implements. The friends of the Government are the interests and the big corporations, by whom they faithfully stand. This legislation is all the more opposed by the farmers of Canada in that it has been conceived in secrecy. Until I am better informed as to the approximate date when this railway can be completed, and as to the nature of the securities which are offered by the Canadian Northern Railway Company, and until I know all the intricate details of this bargain, I will let the Government stand for the corporate interests, and I, as a Liberal with my fellow-Liberals, will stand for the interests of the people of Canada.

The Government comes at this late hour, with this huge expenditure of $45,000,000, when there are bread riots in the city of Montreal every morning. When the Government should put the brakes on the Canadian Northern railway its orders are to go full steam ahead. Sir, I am unprejudiced. The Postmaster General knows that of all the provinces of the Dominion the least involved in this bargain is my native province; the province of Quebec has been conservative in its dealings with the promoters of the Canadian Northern railway. I am unprejudiced, therefore, when I say that the people are opposed to this hazardous venture, or, to use the words of Disraeli: to taking this extraordinary leap in the dark. I am not against a third transcontinental railway; I am a believer in the great potentialities of Canada; I am an optimist, but, Sir, we must look at the facts as they are and not as they should be. After years of unbounded prosperity, thanks to the Liberal regime of fifteen years, we are now face to face with lean years, with years of falling revenue, of large borrowings, of increased current expenditure, of extravagant militia

expenditure, of increased net debt. Under these circumstances I am opposed to going full steam ahead with such an undertaking. Can any one say when the Canadian Northern Railway Company will earn enough interest on this huge undertaking to meet its obligations? It certainly cannot within a great many years, and possibly not before a generation has passed. The Government in tying the people of Canada to the Canadian Northern railway, for an alleged allotment of forty million dollars of common stock, bargains that the country will be obliged to meet the interest not only on the bonds guaranteed by the various legislatures, but on the unguaranteed bonds as well. Canada is a junior partner in the enterprise, although Canada has unlimited credit and, I was going to say, unfathomable cash. Yet, if anything happens and the worst may happen —Canada will be called upon, although the junior partner, to save the firm and prevent national discredit abroad.

We have learned enough from even hon. gentlemen opposite, and especially from two of the most prominent members of the Conservative party, the hon. member for Kingston (Mr. Nickle), and the hon. member for Calgary (Mr. Bennett); and if all those on the other side of the House, who are conscientious, would speak their minds openly, there would be many Bennetts and many Nickles to be heard from. We are, if we believe the language of these gentlemen to become partners, I am sorry to say, with a bankrupt concern; but at the same time, whilst Mackenzie and Mann, Limited, may not be worth much money at the present time, it is admitted that individually they are millionaires, and my hon. friend from Calgary stated the other day—and his statement has remained unchallenged—that the wealthiest Canadian to-day is Sir William Mackenzie. Sir, the situation is not new when a wealthy man involved in a great undertaking has to come before Parliament to ask for some further assistance. Sir, we remember what happened in 1884. I believe, Mr. Speaker, you were a member of the House at that time. I think my hon. friend the genial Minister of Trade and Commerce (Mr. Foster) was also a member of the House in those days. But lest you, Sir, and my hon. friend the Minister of Trade and Commerce should have forgotten what took place when the Canadian Pacific Railway Company found itself in straightened circumstances, let me recall just a few lines from the recollections of Sir Charles Tupper. Speaking of the vicissitudes of the Canadian Pacific railway, he says:

> The year 1884 was a critical one in the history of the company. Committed to enormous expenditure during the preceding three years owing to the magnitude of the work, its directors had got to the end of their tether. They could not raise any more money in London, where the Grant Trunk Railway Company then exerted a considerable influence. The same fate met them in New York, owing, it is alleged, to the hostile attitude of the Northern Pacific railway, and Mr. J. J. Hill, then engaged in financing and building the Great Northern railway.
>
> I had gone to Birmingham to propose a vote of thinks for an address on Canada to be delivered by the Marquis of Lorne, a former Governor General. Lord Norton, the Under-Secretary of State for the colonies when federation was carried, presided, and it had been arranged that I was to spend a holiday with him at his country seat at Hams. During the course of the lecture I received a cable from Mr. Pope, acting Minister of Railways, informing me that the Canadian Pacific railway was in financial difficulties, and urging me to return home at once. At that time I was acting High Commissioner, but still held the portfolio of Railways and Canals.
>
> I crossed by the first steamer, and on reaching Ottawa found everybody in despair. My first act was to send for Mr. Miall, an expert accountant in the Government service, and Mr. Collingwood Schreiber, Government chief engineer, and instructed them to proceed to Montreal to examine the books of the railway company. As soon as they had reported I recommended that Parliament be asked to authorize the Government to advance the Canadian Pacific railway $30,000,000 for four years at 4 per cent per annum, on the condition that the company agreed to finish the road five years sooner than the contract called for—namely, by 1886 instead of 1891. In Parliament I advocated the granting of the loan on that ground.

He goes on:

> The settlement was effected when the Hon. A. W. McLelan was at the head of the Finance Department. It included the surrender to the Government, in part payment, of lands to the value of seven and a half million dollars, valued at one and a half dollars an acre, which I strongly advised. In this instance, as well as in many others, all the great constructive measures tending to the upbuilding of Canada were carried by the Conservative party at the point of the bayonet.

Sir Charles Tupper has often said what these vicissitudes were, what troubles were met, what breakers there were ahead. We know that what induced Sir John A. Macdonald to help the promoters of the Canadian Pacific Railway Company was the proud fact that Donald Smith, Stephen, MacIntyre, and their associates had staked their last dollar to the benefit of that enterprise. It is the unwritten history; but you, Sir, and the hon. Minister of Trade and Commerce know that when, one certain evening, Donald Smith, Stephen and MacIntyre came out

from the office of Sir John A. Macdonald, where my right hon. friend the Prime Minister now is, with the sad intelligence that the Canadian Government would not give them the further assistance they had been asking, they returned to the Russell hotel as ruined men, who on the next day would have to face bankruptcy. It is to the credit of the late Sir Frank Smith, then a minister without portfolio in the Macdonald Government, and to the late John Henry Pope, then Minister of Agriculture, that a new meeting of council was convened late in the evening, when at last the Government yielded and agreed to give to the Canadian Pacific railway promoters the necessary aid for the completion of the railway. But if the people in 1884 supported the loan policy of the Government, it was because the promoters of the Canadian Pacific Railway Company had heroically staked their last dollar in that enterprise.

What are the facts in the present instance? The promoters of the Canadian Northern railway are said to be millionaires. We have the statement made by my hon. friend the member for Calgary, and it is common knowledge in the province of Ontario and in the other provinces of the Dominion that they are exceedingly wealthy. It is true that one of their officials, Mr. Mitchell, states that they have made no profits. It is true that some of the accountants in the Government service, Messrs. Bell, Shannon and Saunders, have investigated and made a report accordingly; but the country will not be satisfied to hear that clerks and officials believe that Mackenzie and Mann, Limited, have made no profits out of the three hundred million dollars, in round figures, which this country has contributed towards the construction of that transcontinental line.

I say, Mr. Speaker, that besides Mackenzie and Mann, Limited, there are Messrs. Mackenzie and Mann, and they, as individuals, should have been called upon to give their personal affidavits and state whether or not they had the wealth behind them which they are supposed to have. It was stated this afternoon that they had invested enormous sums in Mexico and in Brazil. It is known that they have vast interests in traction systems in Toronto, in Winnipeg and in Vancouver; and I, as a Montrealer, know what is of common knowledge in Montreal. In this blue-book, which my good friend the Solicitor General has laid on the table, mention is made of the Mount Royal tunnel. But is mention made of the investments in the townsite known as the Model City right at the entrance to Mount Royal tunnel? I am told that when this construction of the Mount Royal tunnel was decided upon, Messrs. Mackenzie and Mann began by securing several thousands of acres of land, most valuable land, near the entrance of the tunnel. I am told further that they went to New York and interested the famous firm of Lazare and the no less famous firm of Pierpont Morgan. These firms and Mackenzie and Mann were given a proportionate interest in the townsite, and then Pierpont Morgan and Lazare financed the bonds of the Mount Royal tunnel. Then, when the sale of the townsite known as Model City is completed—and I know whereof I speak—Mackenzie and Mann and the firm of Lazare and the firm of Morgan will pocket a profit of something like $20,000,000. And those who are familiar with the land values around Mount Royal know that I am not exaggerating. Now is that true or is it not? That is the rumour; I only voice what is current public opinion in Montreal.

Mr. CARVELL: Did that go into the road?

Mr. LEMIEUX: No, I put that question the other day to my hon. friend from St. Antoine (Mr. Ames). I quote from the 'Hansard' report of that hon. gentleman's speech:

> And the $10,000,000 of capital stock, and $10,000,000 of debenture stock which Messrs. Mackenzie and Mann Company, Limited, have as their share in this townsite property are placed in escrow for us and come into the list of securities which are given as pledges for the purposes of this undertaking.
>
> Mr. Lemieux: Will the securities in townsites include the townsite near Montreal?
>
> Mr. Ames: No, these are townsites throughout the Northwest.

These are barren acres in the far West which go as security for this transaction; but the golden acres of land around Mount Royal, where streets are laid, where squares are already planned, where sites are sold at enormous figures, are not mentioned in the list of securities under the present contract. I say that investigation would show exactly how individually Messrs. Mackenzie and Mann stand financially, and what share of their personal security could be obtained to back the guarantees which the Government is giving them.

9 p.m.

Now, let us for one moment consider what

this country, this benevolent country, has been doing for Mackenzie and Mann. Up to the 30th of June, 1913, the Canadian Northern Railway system, or Mackenzie and Mann, had received from the people of Canada cash subsidies totalling $41,977,741, as follows:

Dominion subsidies	$32,048,244
Quebec subsidies	3,562,946
Nova Scotia subsidies	3,899,605
Manitoba subsidies	641,575
Ontario subsidies	1,825,371
Total	$41,977,741

Up to the same date, Mackenzie and Mann had been given, by the Dominion and several of the provinces, bond guarantees amounting to $135,715,833. These guarantees are as follows:

Dominion guarantees	$60,446,625
Nova Scotia guarantees	5,022,000
Ontario guarantees	7,860,000
Manitoba guarantees	24,408,446
Saskatchewan guarantees	8,258,966
Alberta guarantees	8,719,796
British Columbia guarantees	21,000,000
Total	$135,715,833

During the last session of the British Columbia Legislature, however, a further guarantee of some $12,000,000 was given Messrs. Mackenzie and Mann by the McBride Government. The land grants made to Messrs. Mackenzie and Mann have been as follows:

	Acres.
By the Dominion	4,102,848
By Ontario	2,000,000
Total	6,102,848

It is not possible to set down the precise value of this amount of land; it has increased in value, and will go on increasing from year to year. But a reference to the Canadian Northern Railway report for the yyear 1910 will show that the company estimate that 1,151,017 acres of land granted to it were worth 'not less than $14,000,000.' So, it is not unreasonable to set an average value of at least $10 an acre on the lands so granted. On this valuation, the total land grant would mean that $60,000,000 will have to be added to the cash and guarantee. Adding this $60,000,000, you reach the huge figure of almost $300,000,000 in guarantees, in cash and in land values given to these two gentlemen. Now, granting that Messrs. Mackenzie and Mann have pluck, energy, grit and courage, which I do not deny, because I admire the valour and spirit of enterprise of these two Canadians—granting all that, we must face the situation as it is. Three hundred millions of dollars have been handed over to two Canadians who have the ambition to link the Pacific with the Atlantic; and we are now asked to give them $45,000,000 more by way of guarantee, when only last year this Government gave them a clear gift of $15,000,000. With my friend from Calgary (Mr. Bennett) and my friend the member for Kingston (Mr. Nickle), who spoke with their lips unsealed and stood before us with their hands unfettered, I ask that this Government, before guaranteeing any $45,000,000 to two gentlemen who have already received $300,000,000, should investigate the circumstances of the construction of the Canadian Northern railway. We should investigate the whole situation, first as regards the estimate of the cost of the completion of the road; second, as to the securities offered by the Canadian Northern railway, and third, as to the further personal individual securities which Messrs. Mackenzie and Mann could offer. When that investigation has taken place, if it should be deemed necessary, we might loan to Messrs. Mackenzie and Mann the amount of money required to complete the road, but we should first get proper securities. If we must go into partnership with them, after a thorough investigation has been made, the least we should do is to give this Dominion the dominant place in that partnership. Canada, first of all, should not go into partnership with individuals, into a private concern, but, if Canada must go into partnership with a private concern, the least we should do for the sake of our country, for its honour and credit, is to make of her the dominant party in that enterprise. Sir, this policy means the completion of a third transcontinental railway, and I say that the Government has no mandate to commit the country to the immediate completion of that third transcontinental railway. What are the circumstances? We all know that a census took place in 1911. A committee of this House is presently engaged in the process of redistributing the constituencies of Canada. In a few days we shall have added quite a number of new constituencies to the electoral map of Canada. I say that, pending this Redistribution Bill, the Government cannot consistently commit the new electorate to that huge guarantee. The new constituencies have a right to be heard from

in reference to the new venture of the Government. We cannot and we must not saddle the new electorate with this guarantee of $45,000,000 without the consent of that new electorate.

For these reasons I intend to vote for the amendment moved by my friend the hon. member for Pictou (Mr. Macdonald).

Mr. EDWARDS: Would the hon. gentleman argue that action should be deferred until after the next election?

Mr. LEMIEUX: Yes, and the people would then condemn the action of the Government.

Mr. W. A. CHARLTON (Norfolk): Mr. Speaker, before the vote is taken on this important matter, I feel it my duty under the peculiar circumstances to make a few remarks; but, in doing so, I shall speak in as condensed a form as possible, and from what I consider to be a national standpoint. The question before the House is the motion by the right hon. the Prime Minister that the Speaker leave the Chair for the House to go into committee to consider the resolution and the proposed agreement with the Canadian Northern Railway Company. The amendment moved by the hon. member for Pictou (Mr. Macdonald) is to the effect that we delay this matter for six months. When the right hon. the Prime Minister made this motion, he spoke at some length in explanation of the resolutions and of the proposed agreement. After speaking for a considerable length of time, he made the following statement which I quote from 'Hansard':

> I start with a premise with which I think every hon. gentlemen in this House will agree, and that is that that system cannot be allowed to remain uncompleted. To leave a road upon which so much money has been expended, into which so much of the money of this Dominion and of the provinces has been poured, a road which has been endorsed by the financial guarantees, not only of the federal but of provincial governments—to leave that with two thousand or two thousand five hundred miles of road necessary to link up the whole system in an unfinished condition, is, it seems to me, a proposition to which no hon. gentleman on either side of the House would give his support and sanction.

He was followed by the right hon. the leader of the Opposition, who spoke at some length, and finally made this statement which I quote from 'Hansard':

> My right hon. friend said, and I altogether agree with him, that we cannot allow this enterprise to fail. We have too much money in it—not only the money of the country, but of the provinces and of the bond-holders themselves.
>
> [Mr. Lemieux.]
>
> It is, therefore, necessary that we should assist this enterprise; but the provisions made to carry it to completion are altogethr deficient.

These two leaders gave their opinion in almost identical words, with the exception that the right hon. the leader of the Opposition added the words:

> The provisions made to carry it to completion are altogether deficient.

That is the only difference between the pronouncements of the two leaders on this great question. Both, however, take the position that we cannot allow this enterprise to fail. The hon. Solicitor General, who has had much to do with the framing of the resolutions, and the proposed agreement, followed, giving a full explanation of the resolutions and of the proposed agreement. That was nearly five days ago, and the discussion which has since taken place from various points of view has been on this single text of the right hon. the leader of the Opposition: 'The provisions made to carry it to completion are altogether deficient.' Some have said we have no security, others that we have too much; some have said that we should not have taken any of the stock because by so doing we are becoming partners in the road. I cannot understand how a man becomes a partner in a company by purchasing some of its stock. A great deal of criticism has been directed against the personnel of Mackenzie and Mann. They have been called all sorts of names across the floor of this House; one speaker declared that they must be eliminated entirely, that they were not railroad men, but only contractors; and so forth. The history of all great railway men has been the same. They all have had to commence at the bottom of the ladder and make their way to the top. A good many years ago a boy in Illinois was lying in a wagon under some hay with his feet sticking out. Some railway men had called to dine with W. H. Pratt. Mr. Pratt, looking out of the window, saw the boy's feet sticking out of the hay, and said: 'What boy is that whose feet I see sticking out from under the hay in the wagon?' They replied: 'That is a little chain boy; his name is Van Horne.' Mr. Pratt said: 'Bring him in to get something to eat.' That was the boy who became Sir William Van Horne, whose career was so illustrious that in 1894 Queen Victoria knighted him for his great enterprise, not only in railway construction but other works. E. H. Harriman was a broker's clerk in New York. He went into

business for himself and soon acquired the Union Pacific railway, then a bankrupt concern, and made it a paying road. Then he acquired the Southern Pacific and soon became the dominant factor in railroad matters in the United States. Just before his death, he controlled 60,000 miles of railway in the United States, with an annual earning power of $700,000,000. The career of James J. Hill, who was born near Guelph, is known to nearly everybody. In 1873 he interested Donald A. Smith and George Stephen—Lord Strathcona and Lord Mount Stephen—in railway matters in the great wheat belt lying to the west of the Red river. We all are familiar with the career of the late Lord Strathcona, who, on the 5th day of November, 1886, drove the last spike on the Canadian Pacific railway, the first transcontinental railway of Canada. I might mention others: the two great Canadian railway men whose loss this country now mourns, Sir William Whyte of the Canadian Pacific, and William Wainwright of the Grand Trunk. Whyte commenced as a brakeman; Wainwright was an office boy. And so Mackenzie and Mann, in like manner, commenced at the bottom of the ladder and have steadily climbed up; and, say what you will of Mackenzie and Mann, they have within the last eighteen years changed the whole map of Canada, and are the wonders of the railroad world to-day. A good many have spoken about a clerk in the office of Mackenzie and Mann making an affidavit—A. J. Mitchell—and have asked why Mackenzie and Mann did not make the affidavit themselves. Who is A. J. Mitchell? He is the comptroller, the head man of his department and assistant to the vice-president. He is the man who knows all about the money matters in connection with the construction of the road, and who supplied the information to Mackenzie and Mann; and if there is a man in Canada whose word can be taken at par, it is Alf. Mitchell. But, Mr. Speaker, this is not a question of Mackenzie and Mann or anybody else. It is the Dominion of Canada that is concerned, and the question before us to-day is, what are we to do? On page 9 of this little blue-book there is a statement about the mileage of the road. It shows that this transcontinental railway has, in round number, 10,000 miles of railway—10,000 miles of a new transcontinental railway of which nearly 9,000 miles is finished and over 7,000 miles in operation; a little over 1,000 miles unfinished, and 850 of that is graded. On the next page we find the statements of D. B. Hanna and of this Alf. Mitchell that it will require $100,000,000 to complete the Canadian Northern Railway system. They have available $58,000,000, and they ask this Parliament to complete the $100,000,000 by a guarantee of $45,000,000 of bonds which will net about $42,000,000 or more. Some say: why do they not sell their own securities, and go as far as they can? This $58,000,000 of securities are not saleable just by themselves. If the company went to Lloyds or any other financial house to sell these securities they would be asked: Have you enough money to finish the road—No, we have not—We do not want the securities. But if they can say, we have the guarantee of the Dominion Government for $45,000,000, then all the $58,000,000 of securities, together with this $45,000,000 from the Government, are saleable and they can go on and finish the road. The question is not, is Canada big enough to do this; but, is Canada small enough to let it go by? The credit of Canada had one jar, not very long ago, brought about by the newspaper blizzard which preceded the report of Gutelius and Staunton. That gave the credit a jolt, and if we let this enterprise fail it will give Canada such a jar that we will not get over it for fifty years. We have no money for armaments, battleships and dreadnoughts, but we have all the money that is necessary to develop this country, by assisting railway enterprises, by assisting in the construction of good roads everywhere, making grants to educational institutions, and making provision for the relief of want and suffering in our cities and elsewhere, so that we shall be a nation that other nations can look to with pride and admiration. Canada is a big country. I have a map which shows the whole of Europe, without Russia, placed out in the north-west. The British isles are in the Yukon and there is almost enough room in the Yukon for another British isles. Europe, without Russia, could be placed in Canada almost four times, and yet we are talking about having too many railways. Immigration is coming and the northwest is capable of supporting 200,000,000 people. We must have railways. There are two things we should do and do right away; there has been too much time lost now. First, we should arrange to give this guarantee for $45,000,000 and, next, we should retain Mackenzie and Mann. We are to vote on this question, I suppose, some time to-night. When a man exercises his right to vote he should do it just as if he were the only voter in the lot, as if he were

the only man, as if he were the judge and jury and it were left entirely to him not to refrain from voting because he may think it will carry any way or because he may think it will be lost any way. He should vote for just what he should like to have done with a feeling that he is acting as judge and jury. I intend to vote against the amendment and in favour of the resolution. We are not deciding this matter entirely to-night. The Prime Minister moved that this resolution be considered in Committee of the Whole House. The amendment moved by my hon. friend from Pictou would throw it out altogether. I am in favour of having these resolutions go to the committee so that we may take up the resolutions and the proposed agreement clause by clause, and if there is anything wrong, anything that can be remedied or bettered, I am sure that every hon. member of this House, no matter which side he is on, will be anxious to right the wrong and the committee is the place to do it.

If we do not do this now, we increase the distress of these 21,500 employees of this company, and between 30,000 and 50,000 people who are dependent upon them, and we disgrace this nation. If we go through with this promptly and efficiently, I think it will go a long way towards steadying the universal unrest in financial matters, and it will place not only the honour but the credit of the Dominion of Canada upon a rock in every financial centre in the world.

Mr. D. B. NEELY (Humboldt): Mr. Speaker, I shall not devote any time to answering the speech which has just been made by the hon. member for Norfolk (Mr. Charlton), except to say that the members of His Majesty's loyal Opposition pride themselves on this one thing, that within the ranks of the Liberal party independence of thought is not considered heresy when that thought differs from the opinion of the majority of the party to which we belong. I am sure I am speaking for every member of the Opposition when I say that no gentleman on this side of the House will be put up or will stand up during the course of this debate and try to read out of the ranks of the Liberal party, because of his difference from us on this question, our very much esteemed friend from Norfolk.

Listening to this discussion for the last few days, there are certain grounds of common agreement between the members of this House, I presume, on both sides. One could not but be struck by the unanimity of opinion on one important feature of this question, namely, Canada's duty at the moment in reference to this national undertaking. In so far as my position is concerned, I want to say that any criticism or unfavourable expression of opinion I may offer in reference to the resolution that the House is considering is not attributable to any failure to appreciate the duty of Canada to come to the aid of this great undertaking if this undertaking requires that aid and if we propose to give it in the proper way. I am sure that we all recognize the necessity of a third transcontinental railway. The time has passed for the members of this House to give that question any extended consideration. Canada is already committed, by the Acts of previous Parliaments, to the building of a third transcontinental railway, namely, the Canadian Northern. I must disagree with some expressions of opinion by certain hon. gentlemen opposite as to this proposition and as to the necessity for a third system. I cannot conceive that the Canadian Northern Railway system could ever have been a great system as compared with the Canadian Pacific or the Grand Trunk Pacific if its operations had been bottled up in the three western prairie provinces. There is this to be said for the eastern line of this railway, that it travels through a country that, in my judgment, no member of this House has demonstrated will be devoid of traffic producing results. I noticed in the newspapers recently a statement to the effect that on the Transcontinental railway west of Quebec and east of Cochrane already a great colonizing movement has developed. By the political opponents of the National Transcontinental railway we were led to believe that that line would pass through a great wilderness that would never amount to anything in the way of producing traffic. Within the past two months that idea has been dispelled and I would look upon the eastern section of the Canadian Northern which travels through the great clay belt of northern Ontario as being a part of the railway that in time will be a profit producing undertaking.

In my judgment this question ought to be considered by this House as a straight business proposition. Personally, it would be absolutely impossible for me to express an unfriendly sentiment against the Canadian Northern Railway system, because I come from a part of the country that owes its being almost to the development of the Canadian Northern Railway system, its main line and

branches. The history of the Canadian Northern railway in western Canada is a history that spells very largely the history of the development of northern Manitoba, northern Alberta and northern Saskatchewan, and while it is true that in the northern parts of my own province we have to-day the Grand Trunk Pacific and certain lines of the Canadian Pacific railway, it is a well-known fact that the enterprise of Messrs. Mackenzie and Mann and the development of that enterprise in the building of the Canadian Northern and its tributary branches, is responsible for the branch line policy of the Canadian Pacific railway itself. Everybody knows that for years the Canadian Pacific railway in western Canada played a dog in the manger policy and attempted to make the people coming into western Canada subject to the main line of that railroad, and refused to send branches out into the northern part of these three prairie provinces. But in 1903, with the advent of the extension of the Canadian Northern system westward, we found that the Canadian Pacific railway wakened up. They came to the conclusion that if this new railroad system was going to open up that country they had better get busy and send a few feeders in that direction too. So that, as a result of the development of the Canadian Northern Railway system in the prairie provinces, we have had the development of the other great transcontinental systems. In any criticism of the proposals that are before us at the present time, in view of the history of western Canada and of its development, and especially the developments of the northern part of the three prairie provinces, I am bound to say that for my part I can only have admiration for the enterprise of the men who when others refused to build railroads into that section of the country came forward—it is true with Government help—to supply it with railroads. They had the vision to see the possibilities of these districts that were not served by railroads, and, by Government aid if you will, they extended lines through that great productive area.

When the Canadian Northern main line was extended westward to the provinces of Saskatchewan and Alberta, the people began to come into these provinces in large numbers. They did not stay along the main line but they spread out in various districts throughout the north. It then became immediately necessary for somebody to build branch lines, feeders to the main line of the Canadian Northern, and after the formation of the province of Saskatchewan and Alberta the Governments of these two provinces found themselves confronted with this very serious condition; that we had the main line of the Canadian Northern running through the northern portions of these provinces, and away beyond that main line, forty miles, fifty miles, sixty miles, even a hundred miles, there were settled numbers of people who required service from branch lines. In 1908 the representatives of the Saskatchewan Government came to the Government of Canada and asked for assistance towards the building of a number of branch lines in that province. The Government of the day said to the representatives of the Saskatchewan Government: you have set up housekeeping for yourselves; up to the present time the federal Government has given aid to the main line and to some branches, but we have gone far enough in giving aid to these branch lines in these new provinces which now have their own governments by virtue of their organization into provinces. The provinces of Alberta and Saskatchewan were confronted with the problem that they had to do something in order to serve the needs of the people by the building of branch lines that would be feeders to the main line of the Canadian Northern railway. The result was that for three or four years, from 1908 to 1912, the province of Saskatchewan undertook to meet the needs of the people by guaranteeing the bonds of branch lines that were authorized by Acts of this Parliament. That is to say, they guaranteed the bonds of lines that were to be constructed under Dominion charters. But in 1912 the Saskatchewan Government went a step further and they incorporated the Canadian Northern Saskatchewan Railroad Company, and in the session of 1912 the legislature of Saskatchewan not only authorized the building of several hundred miles of branch lines in the province, under this Act, but they actually guaranteed the bonds of 255 miles of these branch lines. It has been pointed out in this House already that under that company's charter up to the present time, from 1912 to 1914, the Canadian Northern have actually only commenced construction on thirty miles out of a total of 255, miles, the bonds of which were guaranteed in the session of 1912. Therefore, for the last two years there has been very little development on the part of the Canadian Northern railway in the prairie provinces; I speak particularly for the province of Saskatchewan. What I want

to point out to the people of my own province who are anxious to see the branch lines of the Canadian Northern system in that province extended to the various districts that require these facilities, is that one very serious fault that I find with the proposals now before the House is that in my judgment there is absolutely no provision made for the extension of these branch lines. Further than that, in the consideration of these resolutions, I find that not only is there no provision for the building of these branch lines, so much required by the people of the West, but that by this proposal the Dominion Government purports to take away from the people of Saskatchewan and from the people of my province the rights which they took unto themselves by the incorporation of the Canadian Northern Saskatchewan Railway Company, and by the guaranteeing of 255 miles of their branch lines. If I read these resolutions aright this Canadian Northern Saskatchewan Company is declared to be, with a number of other constituent companies, a work for the general advantage of Canada, and here is the position that that places my province in.

We have, as I said, in one session of our legislature, guaranteed bonds for 255 miles to the extent of $15,000 a mile. By our agreement with the Canadian Northern railway, the Government of the province of Saskatchewan is given the right of decision as to the location of those lines and of the stations, the right of decision as to the standard of the road and the standard of equipment; and also, by virtue of the Saskatchewan Railway Act, the Government have the control of their own rates. Now we have this legislation proposed by the Prime Minister, in which he declares that the Canadian Northern Saskatchewan Railway Company is to be hereafter a work for the general advantage of Canada. When we have about thirty miles out of that 255 miles constructed, this Government comes along and says, ipso facto: All these 255 miles of proposed lines will hereafter be adjudged works for the general advantage of Canada. What does that mean, so far as the people of my province are concerned? It means that, with regard to every mile of the unfinished, the untouched part of the Canadian Northern Saskatchewan system, instead of the provincial Government having the right to decide as to location of lines and stations, and so on, this Government have that right of decision. In other words, the Government of the province of Saskatchewan guarantee the bonds, pay the piper, take the responsibility of guaranteeing $15,000 a mile for every mile of that railroad, and yet the Minister of Railways of the Dominion of Canada shall determine where those roads are to be built. In my judgment, this constitutes an absolute and flagrant breach of provincial rights, and should not be tolerated by this Parliament, especially by members of this Government, who have always, as I have understood it, posed before the people of this country as the champions of provincial rights throughout the length and breadth of Canada.

Where is this going to stop is the question that we in the western provinces are asking. In the province of Saskatchewan we have incorporated a company, authorized hundreds of miles of lines to be constructed and guaranteed some hundreds of miles. That company will be no longer under the jurisdiction of the Minister of Railways of the Government of Saskatchewan. We may, at the next session of the Saskatchewan Legislature organize a new company and give it authority to build some more hundreds of miles. We may guarantee the bonds of that line. Yet, according to the precedent that this Government is establishing in this legislation, no sooner has that company been organized and its bonds guaranteed, than this Government and this Parliament can declare that the works of that company are works for the general advantage of Canada, and so the province of Saskatchewan will again find itself face to face with the situation where it must pay the piper, where it must guarantee the notes of the railway company that wants to build a line in our province, and yet receive absolutely no quid pro quo for the expenditure that it so makes. In my judgment, it is one of the very serious objections that we in the West must find against this arrangement as proposed in the resolutions now before the House.

I have said that this legislation, in my judgment, offers no encouragement to the people of the prairie provinces who want to see money expended in the building and betterment of branch lines in our provinces. Not a dollar, so far as I can figure out from the terms of the resolution, is to be devoted to that purpose. We know perfectly well who will have to pay. We are going to put $45,000,000 more into the Canadian Northern railway towards com-

pleting the western end through the province of British Columbia. Yet the people on the prairies must sit and watch this operation, see these proposals go through this Parliament when, so far as they are concerned, there is absolutely no evidence that one dollar of this $45,000,000 will be spent for the development and betterment of a branch line policy in the prairie provinces.

The charge has very often been laid at the door of our provincial governments in the West that they are too extravagant in the building of branch lines; that they are guaranteeing too many bonds and going too deeply into this policy. When we are faced by this situation that the Dominion Government promotes the building of great main lines of railways throughout our provinces; when, as a result of that policy, the people come from all quarters of the globe to settle up our prairies; when they get here and settle miles and miles away from our main lines of railway, will any one tell me what the governments of those provinces can do except to continue the policy that they have already inaugurated, namely, the guaranteeing of bonds for branch lines in those provinces? So far as the province from which I come is concerned, while it is true that we have guaranteed the bonds of several hundred miles of branch lines in that province, our policy has fallen far short of the necessities of the situation, if these people are to have reasonable transportation facilities in that part of the country.

I know there is a sentiment in the prairie provinces in favour of the Government of Canada doing something to assist the Canadian Northern railway. We, in my part of the country at least, do not want to see this great enterprise fall to the ground. Our interests, our necessities, our future, are tied up more or less with the development of this great system, especially as regards its branch lines throughout our provinces. But the people of western Canada, I am afraid, are doomed to very serious disappointment when they discover that, out of this $45,000,000 that is to go into the completion of the outlets of the Canadian Northern main line, they are not to get a single dollar for the benefit of branch lines.

If I have one fault to find with this Canadian Northern railway system, it is that in the matter of railroad construction they have attempted in many cases more than they can finish. In my own constituency there are two or three branch lines on which a certain amount of work has been done—it was done years ago. In one case the bonds were guaranteed by the federal Government many years ago. I refer to the Thunder Hill extension, which goes through the north end of my constituency. Two or three years ago the people had the assurance from the Canadian Northern railway that the line would be completed, that is so far as the bond guarantee extended. I regret to say that since that time, so far as I know, not a bit of work has been done. And there are people to-day in the northern part of my constituency who have to haul the products of their farms thirty-five and forty miles to market as a result of the failure of the Canadian Northern railway to complete the lines whose bonds were guaranteed by the Dominion Government years ago.

But these resolutions have other faults, in my judgment, besides these, and very serious faults. Some criticism has been offered by certain gentlemen as to the character of the road built by the Canadian Northern railway. I think that possibly the strongest ground of objection on the part of the great majority of people to giving further aid to the Canadian Northern railway is the suspicion that much of the money that should have gone into the development of the road, into making the road a first-class road, has been diverted from its proper object and has been used for the private gain of the promoters of the system. I do not wish to discuss that feature of the case further than to say this, that in the building of the Canadian Northern railway there has always been one seriously objectionable feature, and that is that they have let contracts for construction work without calling for tenders. In this they have been unlike other railways in this country, and we cannot but justify to some extent the suspicion of the people that business carried on in that matter has some object of private or personal gain.

Now, I listened to and appreciated the remarks of my hon. friend from Norfolk (Mr. Charlton) with reference to the statement presented to this House on this very point of diversion of the moneys obtained from the sale of securities to other enterprises, and I appreciate the loyalty of my hon. friend from Norfolk to one who, I believe, is a personal friend. Mr. Mitchell, the comp-

troller of the Canadian Northern railway the hon. member for Norfolk tells us, is the man best qualified to know whether the statements presented to this Parliament are true or not. Also we have the affidavit of Mr. Mitchell to the effect that the moneys obtained from the sale of securities who was the comptroller for the Canadien Northern Railway enterprises for the personal benefit of Mackenzie and Mann. I would like to ask the hon. member for Norfolk if this is not the same Mr. Mitchell who was the comptroller for the Canadian Northern railway last year. And we had the statement presented last year that a subsidy of $15,000,000 would be sufficient to complete this road. Where did these figures come from? Mr. Mitchell was comptroller of the Canadian Northern railway then, I understand, and the statement was presented to the House that $15,000,000 would complete the road. Yet we have the statement from the same quarter this year that we must give them a further $45,000,000 to complete the road. I do not know what to do. Shall I take the statement of Mr. Mitchell of last year, or shall I take the statement this year? It seems to me the conclusion of the whole matter is that this Parliament has not had the right information on this question and that this Parliament is entitled to more thorough and complete information as to the financial interests of the Canadian Northern Railway system than have been presented either by Mr. Mitchell or by any member of this Government.

Mr. MEIGHEN: It is scarcely worth while intervening, perhaps, but I think the hon. gentleman should not make a statement concerning an outside party unless he has the evidence. I know of no statement presented by Mr. Mitchell last year. Would the hon. gentleman be good enough to present the statement he is talking about?

Mr. NEELY: I did not say Mr. Mitchell had made a statement last year. I said Mr. Mitchell was the comptroller of the Canadian Northern railway last year, just as he is this year, and if Mackenzie and Mann made the statement to this Government last year that $15,000,000 would enable them to finish the road, where did they get it?

10 p.m. Mr. MEIGHEN: If the hon. gentleman says he did not say that Mr. Mitchell made the statement, I am satisfied. But I would like him to look up the 'Hansard' report to-morrow as to what he did say.

Mr. NEELY: I will take care of my own 'Hansard' if the hon. gentleman will take care of his in this debate,—he will have his hands full with the various positions he has taken on this question in this House. I say Mr. Mitchell gave us a statement this year as to the disposition of the money from the sale of the security. Mr. Mitchell was comptroller of the Canadian Northern railway last year when the statement was prepared in the offices of that company—presumably, I say, by the same Mr. Mitchell—and presented to this Government, and by the Finance Minister presented to this House, that $15,000,000 would complete this system. I say, in view of the fact that we had one statement last year and another this year from the same official, presumably, prepared by the same officials—

Mr. WILCOX: Would my hon. friend read that statement?

Mr. NEELY: I am not a walking library; I do not carry all the volumes of 'Hansard' in my clothes. My hon. friend is able to read, and he can read it. I do not know what statement he refers to, and I do not think he knows himself. So far as the statement this year is concerned, the Prime Minister read it and it is on 'Hansard.' He will find it in the minister's speech of this year as Mr. Mitchell's sworn affidavit. If he turns up the speech of the Finance Minister last year upon this subsidy, he will find it without trouble. We have this astounding situation, and we have this deep-rooted suspicion in the minds of the people, that if $15,000,000 was not enough last year, $45,000,000, under the method of expenditure hitherto followed by the Canadian Northern railway in letting their contracts for work on their lines, will not be enough now. My hon. friend the Solicitor General I am quite sure does not believe that $45,000,000 will complete this system. Why? Because he has provided in this resolution that if $45,000,000 is not enough and the Government are called upon to foreclose their mortgage against the Canadian Northern Railway system, before that foreclosure becomes effective there shall be another appeal to Parliament. In other words, the Solicitor General is providing in this resolution that Messrs. Mackenzie and Mann, the promoters of this enterprise, will have one more chance to appear in the lobbies of this Parliament in order to make

an appeal to the sympathies of members to give further aid for the final completion of this road. The Solicitor General has made that provision in this resolution. Why has he made that provision if it is not in view of the fact that he himself anticipates that the Canadian Northern Railway Company will have to come back to this Parliament for further aid?

We are told that we are getting all kinds of securities for this proposed guarantee of bonds of $45,000,000. We are getting by the terms of that guarantee a floating mortgage from the Canadian Northern Railway system itself, the constituent companies, and above and beyond that we are getting $40,000,000 worth of stock in the Canadian Northern Railway system. I am sure that the Solicitor General must have found a very difficult situation when he looked into the securities of the Canadian Northern Railway system and could not find enough there to cover this loan or guarantee of $45,000,000 without laying hold of $40,000,000 of absolutely useless, worthless common stock. What is this $40,000,000 worth to the people of this country? Has the common stock of the Canadian Northern railway any market value? Admittedly this railway is at the present time in a bankrupt position. It ties us up in the bonds of partnership to this railroad without giving us, shall I say, any voice in the control of its policy. I might as well say that. I would be speaking the truth if I were to say without any voice because what value has a minority vote? We are leaving with this railroad the absolute control of the operations and policy of the company and of the expenditure of the money that it obtains through the sale of the securities which this Government propose to guarantee, and we are taking to ourselves a 40 per cent interest in common stock which in all probability will never be marketable, at least in the lifetime of hon. gentlemen who are now members of this House. The only way in which this stock can be of value, as the Solicitor General has himself practically admitted, is that it will become valuable as we make it valuable, as we pour more money into the railroad and bring it to completion, put it in operation so that it can earn money by pouring further millions of the people of Canada into this system which may in time, after many years, make the $40,000,000 of stock worth a little bit more than the paper on which it is written.

Some criticism has been directed against the right hon. leader of the Opposition, especially by the Minister of Finance and some others, to the effect that this Government have come into office facing a very difficult situation as the result of things that had been done by the late Administration. We are told they were up against a bad situation and that that bad situation was a legacy from the Laurier Administration. I would like to know what legacy was left to this country by the preceding Administration in reference to this very Canadian Northern railway. This legacy was left, that the Liberal Government assisted in the building of this railroad by the guarantee of bonds for which guarantee they obtained a first-class security, because they secured a first mortgage on the railroad itself. What is this Government proposing to take? A floating mortgage, which means in some cases perhaps a second, in some cases a third, and in some cases a fourth mortgage on the equity of Messrs. Mackenzie and Mann in the Canadian Northern Railway system. It means that this Government are proposing to come to the aid of every other bond or security-holder who now has a charge against the Canadian Northern Railway system because, in order to make our $45,000,000 bond guarantee effective, we must protect every other security that takes precedence of the one we propose now to guarantee. That is the legacy left by the late Administration, they left a legacy of a railroad practically completed and along with that they left securities which are first-class securities, being a first mortgage on the railroad itself. I would like to know if my hon. friends go out of office very shortly, but not before this legislation goes into effect, what kind of legacy they will leave to a future Administration in view of the resolutions now submitted to Parliament. So far as the extension of the Canadian Northern railway eastward is concerned, I have always been of the opinion that that was a step which was justified and necessary. Why is it that for the past two years there has been practically a cessation of railroad construction on the part of the Canadian Northern railway in the prairie provinces? Is it because those prairie provinces have not come to their assistance by a guarantee of bonds? They have hundreds of thousands, yes millions of dollars worth of provincial securities lying ready to be marketed, and yet for the past two years we have had practically no railroad development

on the part of this railroad in the prairie provinces. The great burden that rests today on the shoulders of the Canadian Northern railway, as everybody knows, is the completion of the British Columbia section, undertaken to secure a western outlet at a time when Messrs. Mackenzie and Mann, or the Canadian Northern Railway promoters, thought they saw good business ahead of them.

The result of that has been from the time that work was commenced in the province of British Columbia—as a result not of a Dominion, but of a provincial guarantee—the energies and finances of the Canadian Northern road have had to be thrown into the construction of that part of the system absolutely to the detriment of the lines operating or proposed to be operated in the prairie provinces. Let me say to my hon. friends opposite that the late Administration is not responsible for the promotion of that very expensive piece of road, which, in the minds of many people even in the wast is not considered necessary to the completion of the Canadian Northern system. That section of the road was promoted by an agreement with the province of British Columbia, which guaranteed the bonds to the extent of $35,000 a mile. The late Administration, so far as I know, never put a dollar into the construction of that road because they did not appreciate that it was a necessary part of the Canadian Northern system. But what did this Government do when they came into office? They supplemented the bond guarantee of the British Columbia government by a cash subsidy of $12,000 a mile, and that is not enough to complete the line. This is the situation today: the Canadian Northern are coming to this Parliament for help because they cannot grapple with the problem of the completion of the British Columbia section of their system; but neither my right hon. leader nor the late Government are responsible for that. Any legacy that has been left to the Canadian people in connection with this system is the result of the action of the British Columbia government in promoting the building of that section of the line, and of this Government who propose to take very insecure—if I might use the word—security for the present advance of $45,000,000.

I want to say, in conclusion, that in voting for the amendment proposed by the hon. member for Pictou (Mr. Macdonald) I do so with a certain amount of reluctance.

Some hon. MEMBERS: Oh, oh.

[Mr. Neely.]

Mr. NEELY: There is nothing to congratulate my hon. friends about in that. I vote with reluctance because of this fact: many of the people whom I represent in this House are of the opinion that giving assistance to the Canadian Northern railway means the development of a branch line policy through the prairie provinces. I have read the resolutions and have listened to the explanations of the hon. gentlemen who are supposed to understand them,—and wonderful is the man that does understand them, for they remind me of David's description of man as being 'fearfully and wonderfully made;' but I fail to find anything in the resolutions which would warrant me in carrying any message of hope to the people I represent. I had hoped, before the resolutions were brought down, that this proposal would mean something towards the development of a branch line policy for western Canada and the betterment of the branch lines already in existence; but I find that they mean more money for the British Columbia section, and more money for the Canadian Northern Ontario section, but not a single dollar so far as I can see, for the development of branch lines in western Canada. It seems to do the right hon. the Prime Minister and his followers a lot of good if they can get the sanction of the Liberal Prime Ministers of the various provinces of Canada to any proposal they bring before this House. It seems to strengthen them, and I do not suppose that the Prime Minister would have brought down these proposals if it had not been for the letters of Premier Murray, Premier Sifton, and acting Premier Calder, of Saskatchewan. I know perfectly well that our Conservative friends opposite will attempt to make a great deal of capital out of these letters and telegrams, sent by the various Liberal premiers in support of the contention that it was absolutely necessary for this Government to furnish aid to the Canadian Northern railway. I will take these letters one by one, and I defy any man in this House to find one line in any of them that takes any other position than that taken by my honoured leader in this House, namely, that if this House is seized of the fact that the Canadian Northern railway must have the assistance of this Government to complete its transcontinental system, that assistance should be given. There is not a word of appeal to this Government in any of these letters to aid the Canadian Northern railway, because those

particular provinces are not able to help it themselves. We have a policy of our own in Saskatchewan, and they have a similar policy in Alberta; we guarantee the bonds, the bonds are sold, and the branch lines are built. Take, first of all, the letter of Premier Murray, of which I will just read the last sentence, as it contains the point to which I refer:

Government feels that any reasonable assistance consistent with public interests that can be afforded by the Dominion to the Canadian Northern would be a policy which would be acceptable to our people as it would enhance provincial credit.

Premier Murray does not say anything about these resolutions, nor does he ask this Government to aid the Canadian Northern so that they may build branch lines in his province.

Mr. MACDONALD: What is the date?

Mr. NEELY: March 14.

Mr. MACDONALD: He had not seen the resolution then?

Mr. NEELY: Of course not. The dates of these communications would seem to indicate that the Government were in a desperate hurry to get the opinions of the Liberal premiers of those provinces before they brought down these resolutions. On March 3 the Minister of Finance had heard nothing about these resolutions, at least officially, but on the 14th March the Government gets a letter from Premier Murray, and on the 17th April Mr. J. A. Calder, acting Premier of Saskatchewan and Minister of Railways for that province, writes to Mr. Borden a letter which has already been put on 'Hansard' by the Prime Minister. I just wish to quote a sentence or two of that letter to emphasize the point I am making. Mr. Calder said:

As I understand the situation, the company in question has made application to your Government for further Dominion aid, chiefly if not solely on the ground that such aid is required to enable it to complete and put into operation its main line through British Columbia and east of Port Arthur, thereby providing the necessary outlets for the network of branch lines which the company has constructed throughout the prairie regions.

Mr. Calder states plainly in that letter that he understands that this aid is required chiefly if not solely to enable them to complete their main line through the province of British Columbia and east of Port Arthur, and not for the branch lines in Saskatchewan. Mr. Calder did not ask this Government for help in his own province, and I think that he probably would have been very well satisfied if he had been left alone in the pursuit of his own policy. But these resolutions will take away from the Government of Saskatchewan, as well as the governments of those other western provinces, the rights that they already enjoy under their own legislation.

Regarding the necessity which may exist for the assistance applied for I have no opinion to offer as I have no knowledge of the facts.

No doubt, Mr. Speaker, Mr. Calder is very much in the same situation, as far as any information we have been able to get from the Government is concerned, as every hon. gentleman on this side of the House. Mr. Calder does not lay down any position as to the necessity for this aid. He goes further and says that he understands the aid is required for the completion of the line through British Columbia and east of Port Arthur. Surely the Government do not propose to quote these Liberal provincial premiers in support of their contention that they are bringing down a measure for the aid of this system in harmony with the views and position taken by the premiers. If they have taken any comfort from these communications, I am sure it is because they have given them a very superficial consideration, but if they look into these letters a little more carefully they will find no justification in them for the proposals that are before Parliament.

I said a moment ago that in supporting the amendment of my hon. friend from Pictou I do it reluctantly, because I think that aid to the Canadian Northern is necessary. I stand where my leader stands, and where, practically, I presume, every member of this House stands. I lay it at the door of this Government to assist, as they are convinced of the necessity for this aid. They have, as they tell us, information that leads them to believe that this amount of money is necessary to complete this system, but they have not given to this House full and complete information to enable it to unanimously pass a measure for the assistance to this railway. I lay it at the door of this Government that, having decided to give aid to the Canadian Northern, they have attached such conditions to this aid, that I find it absolutely impossible to give my support to the resolutions that are before the House. I have to say that I protest against this arrangement. I protest

against it because it interferes with the rights of the western provinces; I protest against it because it promises no aid for the construction and betterment of branch lines throughout the prairie provinces, and I protest against it lastly because I object to a partnership in which Canada must play the humiliating part of being at the back of a great undertaking which already has declared itself to be bankrupt, and yet in which Canada has neither voice nor control as to the policy of the company or the expenditure of the money which we ourselves are voting.

The House divided on the proposed amendment of Mr. Macdonald:

That Mr. Speaker do not now leave the Chair, but that the said resolutions be considered this day six months.

YEAS:

Messieurs.

Béland,
Bennett (Calgary),
Bickerdike,
Boivin,
Bourassa,
Boyer,
Brouillard,
Buchanan,
Carroll,
Carvell,
Champagne,
Chisholm (Antigonish),
Chisholm (Inverness),
Cruise,
Delisle,
Demers,
Devlin,
Emmerson,
Gauthier (St. Hyacinthe),
Gauvreau,
German,
Hughes (Kings, P.E.I.),
Kay,
Kyte,
Lachance,
Lafortune,
Lanctot,
Lapointe (Kamouraska),
Laurier (Sir Wilfrid),
Lemieux,
Loggie,
Macdonald,
Maclean (Halifax),
MacNutt,
McCoig,
McCrea,
McKenzie,
McMillan,
Marcile (Bagot),
Martin (Regina),
Michaud,
Molloy,
Murphy,
Nesbitt,
Neely,
Nickle,
Oliver,
Pacaud,
Papineau,
Pardee,
Power,
Proulx,
Reid (Restigouche),
Robb,
Ross,
Seguin,
Sinclair,
Thomson (Qu'Appelle),
Tobin,
Truax,
Turgeon,
Verville,
Warnock and
White (Victoria, Alta.)—64.

NAYS:

Messieurs.

Achim,
Alguire,
Ames,
Armstrong (Lambton),
Armstrong (York, O.),
Arthurs,
Baker,
Ball,
Barker,
Barrette,
Beattie,
Bellemare,
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Boulay,
Bowman,
Boyce,
Boys,
Bradbury,
Bristol,
Broder,
Burnham,
Carrick,
Chabot,
Charlton,
Clark (Bruce),
Clarke (Wellington),
Cockshutt,
Cromwell,
Crothers,
Currie,
Davidson,
Edwards,
Elliot,
Fisher,
Forget (Sir Rodolphe),
Foster (Kings, N.S.),
Foster (Toronto, N.),
Fripp,
Garland,
Girard,
Glass,
Green,
Hanna,
Hartt,
Hazen,
Henderson,
Hepburn,
Hughes (Victoria, O.),
Jameson,
Kemp,
Lalor,
Lamarche,
Lavallée,
Lewis,
Macdonell,
Maclean (York, O.),
McCurdy,
McKay,
McLean (Queens, P.E.I.),
McLeod,
Meighen,
Merner,
Middlebro,
Mondou,
Morphy,
Morris,
Morrison,
Munson,
Nantel,
Nicholson,
Paquet,
Paul,
Pelletier,
Perley,
Porter,
Rainville,
Reid (Grenville),
Rhodes,
Robidoux,
Roche,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Shepherd,
Smith,
Stanfield,
Steele,
Stevens,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Thoburn,
Thompson (Yukon),
Thornton,
Tremain,
Walker,
Wallace,
Webster,
Weichel,
White (Leeds),
White (Renfrew),
Wilcox,
Wilson (Wentworth) and
Wright—111.

PAIRS:

Ministerial.	Opposition.
Guilbault,	Cardin,
Smyth,	Clark (Red Deer),
Coderre,	Bureau,
Brabazon,	Martin (St. Mary's),
Marshall,	Fortier,
Osler,	Pugsley,
L'Esperance,	Richards,
Aikins,	Turriff,
Barnard,	McCraney,
Burrell,	Douglas,
Clare,	Cash,
Northrup,	Lovell,
Doherty,	Marcil,
Cochrane,	Graham,
Fowler,	McLean (Sunbury),
Gauthier,	Ethier,
Lancaster,	Guthrie,
Taylor,	Law,
Clements,	Knowles.

Mr. GRAHAM: I am paired with the Minister of Railways; I would have voted for the amendment.

Mr. GUTHRIE: I am paired with the member for Lincoln; I would have voted for the amendment.

Mr. CLEMENTS: I am paired with the member for Moosejaw; I would have voted against the amendment

Mr. H. H. McLEAN: I am paired with the member for Kings and Albert; I would have voted for the amendment.

Mr. DOUGLAS: I am paired with the Minister of Agriculture; I would have voted for the amendment.

Mr. DOHERTY I am paired with the member for Bonaventure; I would have voted against the amendment.

Mr. AIKINS: I am paired with the member for Assiniboia; I would have voted against the amendment.

Amendment negatived.

Main motion—Mr. Borden—agreed to, and the House went into Committee on the resolution.

On the interpretation clause:

Mr. MACDONALD: The Canadian Northern system is defined to be the lines of railway mentioned in the first schedule, and such other companies as may hereafter be declared by the Governor in Council to be comprised in the Canadian Northern system as do not own or operate railways, terminals, bridges, or other railway facilities. I would like to have my attention directed to the particular clause that provides for the addition of these companies; apparently they are not to be railway companies.

Mr. BORDEN: I think that was inserted with a view of having a declaration in the resolution such as my hon. friend refers to. That seems to be omitted, but we will let it stand for the moment and if that particular clause is not added this will be eliminated.

Mr. MACDONALD: We might have an explanation now as to what is the nature of these companies that are intended to be declared to be within the first schedule and what is the object of that definition generally. I understand the Prime Minister to say there is no section in the resolutions that provides for the regulation referred to in the interpreting clause; what is the meaning of that definition?

Mr. BORDEN: Just what it says; the other companies alluded to are those of the particular character described here.

Mr. MACDONALD: What was in mind when that was drafted?

Mr. MEIGHEN: There is no provision in the resolution defining under what circumstances a company can be declared by Order in Council to be a constituent or subsidiary company. At the present time it is not thought wise to so define, but at the same time hon. gentlemen will understand that if after a time, another connecting link is found which advantageously to the whole system could be made a part of the system, then an arrangement can be made, but there is no necessity to do so now. But, there is necessity to provide in the definition that when that time comes, and it is added, it shall be included in one of the terms, constituent or subsidiary companies, and then there will be no necessity of amending this definition. I do not think myself it would be possible in advance to define the conditions under which a Governor in Council could declare a railway to belong to the system, but the circumstances as they arise will be treated on their own merits, and if a railway does develop, the Canadian Northern Railway Company, perhaps having seen in it a useful adjunct to the system, will apply to Parliament to have it added to the system, and the Governor in Council will add it, and then it becomes by virtue of this definition a constituent or subsidiary company.

Mr. MACDONALD: That statement is not sufficiently satisfactory. I was not aware from the information given to the House so far, that the Canadian Northern was to be permitted to go on making guarantees on the stocks of other companies. It does not appear to me that right was one which they could exercise in the way in which the Solicitor General indicates they might be able to. I do not think we should recognize a condition of affairs under which any kind of a railway in the country might be added to this system, or that we should proceed on that basis without having some idea in advance as to what is intended as a matter of fact. It is manifest that this particular interpretation clause is put in there for some definite object. It must have existed in the mind of the Government or of the Canadian Northern people, when the clause was drawn, that there were certain other railway companies, speaking of subsidiary companies, not railway companies, which either the promoters or the Government intended might form part of the system. What information has the Solicitor General with regard to that?

There must have been some of those companies discussed or that clause would not be put in. Speaking from my experience as a draughtsman, you do not put things in a document unless you have in view a condition of some kind that is likely to occur.

Mr. MEIGHEN: In the first place, there are no special companies in contemplation which are not now included. At the same time it was thought wise to provide in advance that if by some process that might be necessary another company was included, this definition should cover that. That is all.

Mr. MACDONALD: But you did not put that clause in without something in view?

Mr. MEIGHEN: We had in view this possibility, which is perhaps a probability, that additional companies would be added, but we did not define in advance under what conditions they may be added.

Sir WILFRID LAURIER: My hon. friend, judging from what he says, is seeking extraordinary powers which ought to belong to Parliament and not to the Governor in Council. He says he has in contemplation no company which ought to be included in this agreement, and if there were such a company in existence, it would have been brought within the scope of the companies which are included in schedule 1. He says that there is no such company, that all the companies known at the present time are included in schedule 1; but it is not violent supposition that there may be other companies which have charters for roads more or less connected with the Canadian Northern, and which may perhaps be brought later on into the Canadian Northern system, or which certain promoters may be thinking of bringing in. You are giving to the Governor in Council the power to bring any such company into the system, and Parliament has no power to exercise any control over the will of the Governor in Council. The Governor in Council is supreme in this; and, whether its action is wise or unwise, there is no method by which you can prevent it or criticise it after it has taken place. I can conceive—and it is not a violent supposition—that there may be, even at this very moment, companies which have perhaps not made application to my right hon. friend at present, but which are awaiting only the passing of this Bill to come in and endeavour to be taken into this system. I submit for the consideration of my right hon. friend that such a power is not consistent with the object which he has in view at the present time, which is to establish the Canadian Northern Railway system. The Canadian Northern Railway system, as it exists at present, is well-known. We know the companies which ought to be taken into that system; and, if at the present time they have all been taken in, it is all right; but if it is contemplated that some other companies, the existence of which we do not suspect, may be brought in, I do not see why you should take such an extraordinary precaution as to give this power to the Governor in Council, when the hon. gentleman who has charge of the Bill says: I know nothing of any companies that may be brought in. The legislation which we are considering today is for a special object, namely, as stated in the preamble of the resolution, to unite under one management all the companies which are now under the control of the firm of Mackenzie and Mann. It ought not to be extended beyond that; and I cannot see, unless better reasons are given than have been given by my hon. friend the Solicitor General, why such an extraordinary provision as that should be included and why such powers should be vested in the Governor in Council.

Mr. BORDEN: I see nothing of the extraordinary character which my hon. friend finds in the proposal. As far as I understand it, it seems to be this: There may and doubtless in the future will be railways incorporated under charters, perhaps to be created in the future, which, although practically and in effect and physically forming part of the Canadian Northern Railway system, will nevertheless be not legally part of that system. The idea was to make provision that those railways, when they came into existence, might be legally made part of the Canadian Northern system. That does not seem to be a very extraordinary or unusual power. As my right hon. friend, however, finds some difficulty about it, we will let that clause stand for the moment and go on to the next.

Mr. GRAHAM: Under this agreement the Canadian Northern is to be given running rights over the Intercolonial railway. There are many branch lines or lines that touch the Intercolonial. Under this clause could the Canadian Northern lease the best of those lines, attach them to the Canadian Northern in connection with the running rights over the Intercolonial, and have that ratified?

Mr. MEIGHEN: Not under this clause.

Mr. GRAHAM: Under any clause?

Mr. MEIGHEN: They could not do anything whatever of that nature without the consent of the Governor in Council.

Mr. GRAHAM: Is the Governor in Council taking the right to do what I have explained may be done? If so, you are asking for too much power.

Mr. GERMAN: This is just a beginning of the Government becoming a partner in a private-owned concern; and I will tell the right hon. the leader of the Government that this is only a beginning and a very small beginning; that he cannot be or the Government of Canada cannot be a partner in a private-owned transcontinental railway. (Reading):

'Constituent companies' means such of those companies mentioned in the first schedule to the following resolutions, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as own or operate railways, terminals, bridges or other railway facilites.

That means every company which the promoters of the Canadian Northern railway, who are the controllers of the Canadian Northern Railway Company, may bring into that concern. If they do not make default, the Government is absolutely in the hands of Mackenzie and Mann who own and control stock hereafter in large and small enterprises in which they have an interest, or which they may undertake to exploit throughout this country.

Sir WILFRID LAURIER: In regard to subsidiary companies, I would like to ask my hon. friend the Solicitor General, for my own information, why he has made a difference between constituent companies and subsidiary companies? Subsidiary companies are those which do not operate railways, and constituent companies are those which do operate railways. So far as the object of the legislation is concerned, I have not been able to see why this difference is preserved. There may be a difference between constituent companies and subsidiary companies legally or in any other way, which I have not been able to find out on reading over the resolution; but it seems to me simply to make the resolution more cumbersome than is necessary. I think we should call them all constituent companies or all subsidiary companies. I understand very well the distinction, but I do not see the object of it.

11 p.m.

Mr. MEIGHEN: There is one section in which the distinction is essential. I will find it and show it to the right hon. gentleman.

Mr. CARVELL: In regard to contractors, I want to ask the Prime Minister if there will be any objection to amending that portion of the interpretation clause so that it will include Sir William Mackenzie and Sir Donald Mann. In discussing the general resolution, I pointed out yesterday that section 4 of the resolution simply said:

That covenants or undertakings to the satisfaction of the Governor in Council shall be given that all outstanding temporary loans to the Canadian Northern or any of its constituent or subsidiary companies secured... will be paid—

I pointed out that there were a large number of securities which were doubtless collateral; but that, in my opinion, and I think I proved it pretty well—those collaterals would not pay the debts. I suggested that section 4 be amended by inserting the words, 'by the contractors' after the word 'undertakings', so that the section would read as follows:

That covenants or undertakings by the contractors to the satisfaction of the Governor in Council—

Then you would have Mackenzie and Mann personally responsible that these debts would be paid. Again in section 5 the same matter comes up:

That covenants or undertakings of the contractors and such other covenants or undertakings as may be required by the Governor in Council shall be given that the current indebtedness of the Canadian Northern and of the said constituent and subsidiary companies will within one year from the passing of the Act to be based upon these resolutions be reduced to the normal or usual current amount—

which I think has been estimated here at about $3,000,000. If the word 'contractors' included Mackenzie and Mann personally, you would have the personal covenant of Mackenzie and Mann that these debts would be paid. If these constituent companies and subsidiary companies are all allowed to stand as they are now, then we are giving Mackenzie and Mann the right to bring into this system anything whatever, no matter whether it be a railway company, bridge company, a coal mine or anything else. If we bring this in, we saddle these upon the country, for once they are in the sys-

tem, the country has got to pay the liability. You can bring in almost anything in Canada, so long as it is a corporation, into this system, and the country becomes responsible to finance that scheme—we have to pay the bills. Yet Sir William Mackenzie and Sir Donald Mann personally are not responsible for a dollar. It does seem to me that the Prime Minister should consider this very carefully and if necessary allow it to stand. I think it a very important matter, because if what I suggest were done it would take away a great deal of the objection that members on this side, and people all over the country, have to this measure.

Mr. BORDEN: As I understand it, under section 4, and under section 5, as well, it is competent for the Governor in Council to require the personal undertaking of Sir William Mackenzie or Sir Donald Mann, or both.

Mr. CARVELL: But would it not be better if we had the assurance in the legislation that it would be required?

Mr. BORDEN: I do not see that it is necessary.

Mr. AMES: I would ask why it is that the parties of the fourth part in the agreement, called the 'contractors' include Mackenzie, Mann and Company, Limited, Sir William Mackenzie and Sir Donald Mann, while in the interpretation clause the word 'contractors' means Mackenzie, Mann and Company, Limited.

Mr. CARVELL: That is easy to be answered—it is because in the agreement Sir William Mackenzie and Sir Donald Mann are only covenanting to hand over stock and not to put in a claim for their services.

Mr. BORDEN: My hon. friend is mistaken.

Mr. CARVELL: Well, it might go a little farther. I stated it yesterday. In the first place they agree to transfer $33,000,000 of stock to the Government; then to transfer the Brockville and Westport line free of charge, and to sign whatever other agreement is necessary to carry out the agreement; and also not to put in a claim for their services. That is all. When they include these gentlemen personally and make them responsible, it is only to hand over stock and carry out these other things that I have stated. When their covenant is to pay money, they are personally carefully left out of the term 'contractors.' I think the hon. member for Montreal, St. Antoine (Mr. Ames), is very well justified in calling the attention of the committee to the condition of affairs.

Mr. BORDEN: It is for the reason I have already explained. It is hardly correct to say that they are left out, because the provisions of sections 4 and 5 are absolutely sufficient to have them included. So far as the agreement is concerned in which Sir William Mackenzie and Sir Donald Mann are personally and individually made parties, the mere proviso of the clause of the agreement will indicate reasons why they should be parties in that way. Subsection (e) of section 2 provides for the absolute release of all contractors' profits, commissions and claims of every kind against the Canadian Northern railway or against any of the constituent or subsidiary companies. It was for the reason that it was desired to include not only Mackenzie, Mann and Company, Limited, but also Sir William Mackenzie and Sir Donald Mann individually in respect of these claims that they were made parties as well as the corporation itself, and therefore the clause in the agreement has that operation.

Mr. MACDONALD: Have records been brought down containing information as to who are the shareholders and officers of Mackenzie, Mann and Company, Limited? If not, I think that information should be laid before the committee.

Mr. BORDEN: I could not say at the moment whether the information laid before the committee comprises that or not. But I should think there would be no difficulty about getting it.

Mr. MACDONALD: I submit to the right hon. gentleman that this section should stand until we have that information. I think that is only reasonable. We cannot give a legislative definition of the meaning of the word 'contractors,' declaring it to be a certain company without knowing who are the persons in that company.

Mr. BORDEN: The persons in the corporation may transfer their stock to-morrow, or may have transferred it yesterday.

Mr. MACDONALD: But that information would be interesting—

Mr. BORDEN: Interesting, perhaps, but it does not alter the legal position in the slightest, because the transfer of shares does not affect the entity of the corporation.

Mr. CARVELL: The Prime Minister has stated with practical accuracy the effect of subsection e of section 2 of the agreement. No doubt Sir William Mackenzie and Sir Donald Mann personally release all these companies from any claim for their services. But it is also true that they do not become responsible for the payment of any money. The right hon. gentleman says the Government might demand it under the covenants and undertakings in sections 4 and 5. But why will not the Prime Minister say that he will demand it? Why will not he say that when the covenants are drawn up Sir William Mackenzie and Sir Donald Mann will be made personally responsible? And, if he gives that agreement, why will he not go so far as to put it in the document itself? If this were done the country would have it in the legislation, and the very word 'contractors' would mean that they were personally responsible.

Mr. GERMAN: Mackenzie, Mann and Company, Limited, is a limited liability company. But Sir William Mackenzie and Sir Donald Mann individually may have enormous wealth without having any personal liability in respect of this corporate institution. In my opinion the suggestion made by the hon. member for Carleton, N.B., (Mr. Carvell) is one which should receive not only the attention of the committee but the approval of the Government, and Sir William Mackenzie and Sir Donald Mann individually should be made liable, and not merely as a limited liability company. It might be that you could not get a dollar from them as a limited liability company, but each of them is known to be a millionaire many times over and capable not only of financing this institution and building this road but of building another transcontinental road as well.

Some hon. MEMBERS: Oh, oh.

Mr. GERMAN: Hon. gentlemen laugh, but public opinion is—and we all know it—that Sir William Mackenzie and Sir Donald Mann are able to build a railway if they want to do it. There is no necessity of smiling over it or making it an object of mirth. We know that each of them is a multi-millionaire, and they have made money out of the railway manipulation. I make that statement here as a member of this House and no man dare challenge it.

Mr. BRISTOL: I challenge it absolutely; the hon. gentleman is making a statement without foundation in fact. The evidence before the House is contrary to what the hon. gentleman says.

Mr. GERMAN: The hon. member for Centre Toronto (Mr. Bristol) is quite in error in his notion. Both Sir William Mackenzie and Sir Donald Mann are men of great wealth, which they have made out of the manipulation of Canadian Northern railway transactions. Now, it is asked that they should be made personally liable in regard to these matters. They are being made liable as a limited liability company. And the hon. member for Carleton suggests that they should be made liable individually. I believe that the Government should include under the term 'contractors' not only Mackenzie, Mann and Company, Limited, but also Sir William Mackenzie and Sir Donald Mann.

Mr. MURPHY: I wish to add my request to those already preferred from this side of the House. I think the Prime Minister will concede that we should not proceed so fast with this particular clause that we have been discussing till, in the first place, the information asked for by the hon. member for Pictou is brought down, that is that we should have full particulars regarding the composition of the firm of Mackenzie, Mann and Company, Limited, the names of those who compose it, the capital stock of the company, and generally all such information as would enable us to determine just what value is to be placed upon any guarantee that may be given by that particular company. In addition to that, I think the request made by the hon. member for Carleton (Mr. Carvell) is a very reasonable one, that is, that within this definition of the word 'contractors' should be placed Sir William Mackenzie and Sir Donald Mann, individually. In fact, in view of the discussion that has taken place in the past week, and more particularly in view of the disclosures made by the Government supporters from Calgary and Kingston, I do not think it would be going too far, in fact I think we would only be discharging our first duty, if we asked that in the definition of the word 'contractors' there should also be included the Northern Construction Company. As I understand it, that company is practically Sir William Mackenzie and Sir Donald Mann. The company has done an enormous amount of work, if my

information be correct, and I submit it is the business of Parliament, now that these resolutions have reached the committee, to throw around this agreement all the safeguards that we can possibly avail ourselves of. I do not think, even if the information asked for by the hon. member for Pictou and that asked by the hon. member for Carleton be granted, we will be going too far in asking that the definition of this word should include the Northern Construction Company also.

Mr. BORDEN: I think the hon. gentleman is mistaken about the Northern Construction Company, because I am informed that neither Sir William Mackenzie nor Sir Donald Mann has the slightest interest in that company, directly or indirectly; in fact, if I remember correctly, I read a declaration from the persons who are the officers of that company—

Mr. CARVELL: That they had not received any profits from it.

Mr. BORDEN: That they had no interest in it whatever, either direct or indirect. That is my recollection.

Mr. CARVELL: I have a great deal of faith in the proposition I am placing before the House. I think it is a very material contention. It has been stated here a great many times by my friends opposite that the Canadian Northern system has reached the point where it is compelled to get assistance from some person, and the only person from whom it can obtain assistance is the Government of Canada. That seems to be admitted by all hon. gentlemen opposite, and I think there is no question about it. They have, as has been stated, received nearly $244,000,000 of money from somebody, and they say it has all gone into the system. They say it will take about another $100,000,000 to complete the system, and that they have $58,000,000 of good assets available once we furnish the $58,000,000 to make it liquid, and then all the rest of their assets will become saleable and the country will never lose a dollar; everything will be taken care of, and our $40,000,000 will become one of the greatest assets of Canada. If our friends have such faith as this, and if Sir William Mackenzie and Sir Donald Mann have such faith, it cannot do any harm to include them in the definition of the word 'contractors' and make them personally responsible, not for the completion of the road but for the loans now secured and also the loans from the banks. I would like to have these gentlemen become personally responsible that these loans will be taken care of. In order to place the matter before the committee in concrete form, I would move:

That the definition of contractors be amended by adding thereto the words 'Sir William Mackenzie and Sir Donald D. Mann.'

Mr. GERMAN: I have taken the ground in the few words I have said on this matter, that Mackenzie and Mann, to the extent of their financial ability, be it more or less, should go in behind this undertaking with their own personal means. It is their undertaking; we have put up most of the money but still the majority of it remains their undertaking. I think we are not asking too much in insisting that they, as practical owners of this concern, put in their personal obligation with ours; and believing that to be only fair to the people of Canada, I am prepared to vote for this amendment.

Mr. BORDEN: When the hon. gentleman suggests that Messrs. Mackenzie and Mann have not pledged their personal credit in connection with this enterprise, he is absolutely misinformed. Anything that might be called the working capital in connection with the construction of this road, and this amounts to a great many million dollars, has been raised, as I understand, not only by Mackenzie and Mann, Limited, but, in many cases, upon the individual credit of Sir William Mackenzie and Sir Donald Mann.

Mr. GERMAN: Not a dollar on their individual credit.

Mr. BORDEN: I can only say that my information does not correspond with that of my hon. friend.

Mr. CARVELL: Will the Prime Minister be good enough to point out in the records placed before us where either gentleman is responsible for a dollar?

Mr. BORDEN: Will the hon. member point out anything in the record that is against that? I was dealing with a statement made by the hon. member for South Renfrew who has stated, and a great many hon. gentlemen in this House have asserted the same thing, that the position of Messrs. Mackenzie and Mann differed from the position of those who came to Parliament in 1884, in that these men had pledged their individual credit in connection with the Canadian Pacific Railway enterprise, while Sir William Mackenzie

and Sir Donald Mann have not done so. I say I am perfectly satisfied that that statement is not accurate, and that the working capital for the construction of this road, running into many millions of dollars, has been provided in the way suggested, and we know that ten and a half million dollars, representing half the contractors' claims outstanding, has been raised and provided for. Mackenzie and Mann, Limited, in connection with this agreement, propose to give security to the satisfaction of the Government in respect of what are called the temporary loans and the floating indebtedness. We realize that Mackenzie and Mann must pledge their own assets to a certain extent; indeed, to a very large extent and we have provided by this agreement that they shall do that. In addition to that, we have insisted that Mackenzie and Mann shall risk everything in this enterprise in this respect: that every dollar which otherwise they might have been able to claim against this company in the way of commission or agency work, covering a period of a great many years, shall be absolutely released, and I have no doubt whatever, as I have said in this House before, that that claim would have run into many millions of dollars. So, under the circumstances, I do not think it is a fair case to say that their individual and personal credit has not been pledged. I maintain that it has been pledged, and that the construction of this road could not have been carried on unless it had been pledged to a very large extent indeed.

Mr. LEMIEUX: This is a very important feature of the case. On the one hand we have the statement of the right hon. Prime Minister that Mackenzie and Mann have pledged their credit individually, and on the other hand the statements of members on both sides of the House that they have not pledged their credit, individually. Is this not a case calling for some little investigation? If it be true, as has been said, that Mackenzie and Mann individually are deeply interested in enterprises in Mexico, Brazil, in townsites in Montreal, and in traction companies in the cities of Winnipeg, Toronto, and Vancouver, I say that they should put up something as security themselves. Personally, I do not know whether these are facts, but the statement has been made over and over again by the hon. member for Calgary, the hon. member for Kingston, and other members. Why should we not have an investigation to find out if they really are the possessors of such large incomes? For my part, if I knew that Mackenzie and Mann had practically nothing outside of their interests in the Canadian Northern railway I would certainly alter my mind in regard to these resolutions, but I am morally convinced that one of these gentlemen at least is a multi-millionaire, as was stated by the hon. member for Calgary. In these hard times when money is so scarce, and there is so much unemployed, I say it is not becoming on the part of the Government to take all the chances and all the responsibilities, and to allow these multi-millionaires to reap all the benefits.

Mr. MEIGHEN: It is really inspiring to hear the hon. member for Rouville, now that he is a private member, dilate on multi-millionaires and the necessity of getting their covenants in railway undertakings. It has been the policy of Canada ever since there was a Canada to consider railway undertakings as public utilities in which the people as a people are interested, as well as merely business undertakings in which those engaged in them are interested. As a consequence of that, the policy of this country has been to assist railway undertakings. The Canadian Pacific has been assisted by subsidies, and the Grand Trunk and the Canadian Northern railway have been assisted by subsidies and by guarantees. When was it first promulgated by the Liberal party or by the hon. member for Rouville that these railway companies should not be assisted by subsidies or by guarantees unless they were owned by men who had absolutely no other possessions whatever outside the railway company? That doctrine has never been pronounced until to-night. Before a railway company got assistance from the late Government I presume an inquiry was held to see that the stockholders of that company did not possess a dollar beyond their stock in the company. Was that the policy of the late Government? If not, his argument cannot possibly stand.

Mr. LEMIEUX: It is not a parallel case.

Mr. MEIGHEN: There is nothing parallel now.

Mr. MACDONALD: Why do you not discuss the agreement.

Mr. MEIGHEN: I know my hon. friend likes to get away from his votes when he was on the Government side of the House. The question before the committee is this:

what is fair and reasonable under the circumstances? And in discussing what is fair and reasonable and the bona fides of hon. gentlemen opposite, it is not out of the way to remind them that three years ago Mackenzie and Mann, as owners of the Canadian Northern Ontario railway, were before this House and got the approval of hon. gentlemen opposite, and of the hon. member for Rouville as a member of the Government, to a bond guarantee of $35,000,000 and that Government never inquired whether Mackenzie and Mann had put their own money into the road. If they were wealthy men at that time—and I presume they had investments in Mexico and South America then—why did the Government of that day not insist that they put up those investments before they called on the Government of this country for a guarantee? Why did gentlemen opposite not take a chase around the universe to see if Mackenzie and Mann owned a horse in one continent and stock in another, before they came to their assistance in 1911?

Mr. GRAHAM: Does not my hon. friend see a difference? In 1911, the country got a first mortgage as security, and in 1914 it is getting practically no security.

Mr. MEIGHEN: Why, then, did the country have to pledge its credit at all in 1911. If the company was solid in 1911, why could they not go to the money markets for their money? If the doctrine is good now it was good then. Mackenzie and Mann got a bond guarantee from the late Government in 1911, and the hon. member for South Renfrew did not inquire what they had outside the railway.

Mr. GRAHAM: They gave us a first mortgage, which you have not got.

Mr. MEIGHEN: The hon. member for South Renfrew takes this position, that any one who offers the Parliament of Canada a first mortgage will get the aid he requires.

Mr. GRAHAM: Not at all.

Mr. MEIGHEN: The question is, what is fair and proper between the public and the promoters? What have we done in this case? We have heard a great deal of the private property pledged by the owners of the Canadian Pacific railway. I hold no brief for Mackenzie and Mann nor for the Canadian Northern railway. We are the trustees of the people of Canada and the conduct of these gentlemen only comes in question so far as it relates to the merits of this Bill and of the Government's proposal. I say I believe it will be found that what Mackenzie and Mann have pledged of their own assets, not derived from the Canadian Northern railway in any way, towards the success of the Canadian Northern railway transcends, and far transcends, what was pledged by the promoters of the Canadian Pacific railway.

Mr. PARDEE: What have they pledged?

Mr. MEIGHEN: The hon. member is very anxious to know what they have pledged. They have pledged 4,102,000 acres of land.

Mr. GERMAN: Which never belonged to them.

Mr. CARVELL: What was it given to them for?

Mr. MEIGHEN: The hon. member for Welland says it never belonged to Mackenzie and Mann, and the hon. member for Carleton asks me why the land was given. I cannot answer both at once.

Mr. GERMAN: Answer one at a time.

Mr. MEIGHEN: Mackenzie and Mann took over the charters of three railway companies, and upon completing the works called for by those charters were entitled, by the law that gave the charters, to the land grants. They completed the work and became the owners of the land grants for completing the work, they turned over these land grants to the Canadian Northern and when the Canadian Northern Railway Company was formed as a company the lands were granted to the Canadian Northern Railway Company. But the grants that went with the charters went with the completion of the railways, they completed the railways and therefore were entitled to the lands. Does my hon. friend say that there was no legal title to these lands, that they did not earn them?

Mr. CARVELL: I would like to ask my hon. friend a question.

Mr. MEIGHEN: I am asking my hon. friend to answer mine.

Mr. CARVELL: Will the hon. gentleman allow me to ask him a question?

Mr. MEIGHEN: Not now; answer mine first.

Mr. CARVELL: I say they are not entitled to the land. Now, will my hon. friend allow me to ask him a question?

Mr. MEIGHEN: Now, we will follow that up.

Mr. CARVELL: I have answered my hon. friend's question; will he allow me to ask him a question?

Mr. MEIGHEN: I will allow the hon. gentleman to ask me a question when I come to it and I will not do what he did yesterday—promise to come to it and never get there. My hon. friend says that they were not entitled to it, that they never were in a position to make title to those 4,102,000 acres of land. Let me ask him how is it that they have made title to these 100,000 acres of land of which they own part to-day and have sold part, the titles to which have never been questioned.

Mr. CARVELL: Go on.

Mr. MEIGHEN: Now, I am ready for my hon. friend's question.

Mr. CARVELL: I am very much obliged to my hon. friend the Solicitor General, I am sure. The question I want to ask him is if there were not securities upon these roads when they got them and if the Government or the Canadian Northern Railway Company is not responsible to-day to pay these securities.

Mr. MEIGHEN: On the roads?

Mr. CARVELL: Certainly, on the roads. My hon. friend says that Mackenzie and Mann bought certain roads in Manitoba that carried a land grant. They got the land grant and they were not bound to give it over to the system. We have their mortgages and bonds on these roads, they are there to-day, they have to be paid and I would ask my hon. friend, is not the Canadian Northern system liable to pay them?

Mr. MEIGHEN: I did not say that they bought the roads, but I did say that they bought the charters to build the roads and that when they built the roads they became entitled to the land grant.

Mr. CARVELL: We have to pay the securities.

Mr. GERMAN: They built the roads out of the money derived from the sale of the land.

Mr. MEIGHEN: How is it then that the Canadian Northern got the land?

Mr. CARVELL: Are the mortgages on the roads then?

Mr. MEIGHEN: Certainly, these parts became parts of the Canadian Northern and are subject to all the mortgages on the Canadian Northern.

Mr. CARVELL: Why should not the land go to pay the mortgages?

Mr. MEIGHEN: Because the men who built the road were entitled to the land for building them. They built them and earned the land in the same way as the hon. gentleman would earn his fee in a legal case. If they did not earn them they could not give titles to them. They did give titles to them to the Prairie Land Company to whom they had transferred about 50,000 acres. Consequently, they were the owners of the 4,102,000 acres and they turned them in. I will give my hon. friend a very similar instance that will bring the matter abruptly to his mind. The Qu'Appelle, Long Lake and Saskatchewan Railway Company also had a land grant which they got to construct the Qu'Appelle, Long Lake and Saskatchewan. The promoters of the road were entitled to the land grant for the construction of the road. They constructed the road and earned the land grant. An hon. member on the other side of the House was one of those promoters and they became interested in that land grant, transferring the road and did not transfer the land grant.

Mr. CARVELL: And another hon. gentleman on the other side of the House.

Mr. MEIGHEN: And another hon. gentleman on this side. They were doing what they were perfectly entitled to do, because they were the owners of the land grant as they were the owners of the road, subject to whatever was against the road. Does the hon. gentleman say that his colleague on that side of the House did something dishonourable when he disposed of his own property in the shape of the land which he had earned? Then why does he say that these gentlemen are doing something which they are not justified in doing?

Mr. CARVELL: I did not expect my hon. friend the Solicitor General to get into such a heat as he has over this matter.

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: I thought we were putting up a very fair business proposition,

and it is such a good business proposition that my hon. friend cannot answer it without getting ugly over it.

Mr. MEIGHEN: I did not get ugly.

Mr. CARVELL: Your manner belied you, then.

Mr. MEIGHEN: I might have looked it.

Mr. CARVELL: Yes, you looked it. There is no parallel between this case and that of the Qu'Appelle, Long Lake and Saskatchewan Railway Company. Twenty years ago that road was sold but the land did not go with the road. Mackenzie and Mann saw fit to buy that road seven or eight years ago, and they bought it without the land. If they had got the land with it they would have had a more valuable asset.

Mr. MEIGHEN: That is not the question. How did the men who got the land manage to get it?

Mr. CARVELL: I will come to that. Seven or eight years ago the Canadian Northern, or Mackenzie and Mann, bought that road. They did not buy the land with it, but they bought the road with a mortgage against it, and we are going to pay the mortgage. It is a pity we did not get the right to the land with it. But Mackenzie and Mann never owned this land, and were never in a position to sell it or to hand it over to the Government. If Mackenzie and Mann had any land with reference to other roads it was because they built the roads and got the land grants. They mortgaged the roads, and the mortgages are on these roads to-day. They are handing over to the Government these mortgages so that the Government will be responsible for the payment of them. I did not think my hon. friend would commence hair splitting so early in the game. My hon. friend tries to draw a distinction between holding a title and the word 'entitle.' He asked me if they were entitled to this land and I said 'no,' and then he asked me, in order to make a legal quibble, how they got this hundred thousand acres of land if they had not a title to it. I want to give my hon. friend a little advice—

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: My hon. friend will get these resolutions through a great deal easier by meeting us in a bigger and broader manner than by trying to draw these hair-splitting distinctions between a legal title and the question whether they are entitled to these lands. Let us try and get back now to the point at issue and talk business.

[Mr. Carvell.]

Mr. STEVENS: Exercise a little common courtesy yourself.

Mr. CARVELL: I think my hon. friend had better get out and look after his Hindus that are landing in Vancouver. He has got all that he can attend to, and he has got his work cut out looking after the Hindus who are landing. If I want any advice from him, I will ask him for it.

Mr. STEVENS: Our Hindus are equal to the hon. gentleman.

Mr. CARVELL: I am sorry I cannot return the compliment. Now, we will leave him out of the question. I would like to come back to the amendment we have moved, because after all that is the important thing? Why do the Solicitor General and the leader of the House object to Mackenzie and Mann personally becoming responsible to pay these debts?

Mr. MEIGHEN: I was getting to it.

Mr. CARVELL: The Solicitor General could not get to the South Pole by travelling north. There must be some reason why they object to Mackenzie and Mann giving personal guarantees. I want the Solicitor General to point out where in these resolutions is there any statement that Mackenzie and Mann will become personally responsible for anything. There is not a word anywhere to that effect. The only inference is that Mackenzie and Mann would not become personally responsible, and the Government did not intend to ask them to do so. If the Government is sincere, and if Mackenzie and Mann are sincere, they ought not to be afraid to become responsible for the payment of the debts. If these securities, which are now pledged as collateral for these debts will not pay them, then as a matter of justice Mackenzie and Mann ought to be compelled to pay them, and if they have not sufficient property to pay off this debt, it is their misfortune and the country will have to become responsible. That is the whole issue.

Mr. MEIGHEN: I was in the middle of a speech which it will not be necessary for me to finish now; I was setting out to show that Mackenzie and Mann had contributed a great deal to this enterprise, but I will not need to pursue the matter further because I see the anxiety of the hon. member (Mr. Carvell) to switch off that subject. I do feel it is due to the completeness of the little incident we had, that I recall the comparison between the

Qu'Appelle, Long Lake and Saskatchewan Company, and say, the Manitoba and Southeastern Company. In the case of the Qu'Appelle, Long Lake and Saskatchewan Company, the promoters bonded the road to build it, which they were entitled to do, and got the land grant for building it, which they were entitled to have. In the case of the Manitoba and Southeastern Company they did exactly the same thing. In the case though of the Qu'Appelle, Long Lake and Saskatchewan, the promoters retained the land grant and sold the road so bonded, as they were entitled to do.

Mr. CARVELL: To Mackenzie and Mann.

Mr. MEIGHEN: They sold it later on to Mackenzie and Mann. They sold the road so bonded and retained for themselves the land grant, and that is exactly what Mackenzie and Mann could have done in the case of the Manitoba and Southeastern. In the case of the Winnipeg and Hudson bay; in the case of the Lake Manitoba Railway and Canal Company, they could have done exactly what the promoters did in the case of the Qu'Appelle, Long Lake and Saskatchewan, and no one could have criticised them for it, as no one could criticise the promoters of the Qu'Appelle Long Lake and Saskatchewan. What did these latter promoters do? They retained for themselves the land grant and consequently Mackenzie, Mann and Company could have retained for themselves the land grants in these other roads. The cases were on all fours all through their history. I only set out to show that Mackenzie, Mann and Company were entitled to these lands, and they were entitled to hold them and make title for them. They were in a position to sell them and they did so to the extent of 100,000 acres, and the rest of the land grant and the right to the land was transferred to the Canadian Northern. Who will say that that was not a transfer of the property of Mackenzie, Mann and Company to the Canadian Northern. If to-day the promoters of the Qu'Appelle, Long Lake and Saskatchewan railway were to take their land grant, if they own it, and transfer it to the Qu'Appelle, Long Lake and Saskatchewan would the hon. member for Carleton say they did not transfer any of their own property to that railroad; would he say they had never put a dollar in the enterprise? Would the hon. member for South Renfrew (Mr. Graham) say: hear, hear, when the hon. member (Mr. Carvell) uttered such words? I do not think so. We do not need to go any further on the matter of the land grant.

Sir WILFRID LAURIER: Who brought it in?

Mr. MEIGHEN: It has been brought in all week; hardly an hon. gentleman opposite spoke who did not assert, and reassert, and reiterate, that Mackenzie and Mann had never put a dollar in the road.

Mr. GRAHAM: I never said so.

Mr. MEIGHEN: The hon. member for South Renfrew (Mr. Graham) did not, and he is to be honoured for it. He knew better, but he heard those behind him say it.

Mr. GERMAN: Those behind him expressed the truth.

Mr. MEIGHEN: It will hardly be argued that we have no security on the townsites which were the property of Mackenzie, Mann and Company as their own, but I do not wish to dilate on it at this late hour. It was not my desire to be controversial, and I know I was not ugly, but it was my desire to try and do some little fairness to the men who had done something for this road.

Amendment (Mr. Carvell) negatived.

On the motion of Mr. Pelletier that the committee report progress:

Mr. MACDONALD: It is understood that the particular item we were on still stands.

Mr. MEIGHEN: Yes, subject to the loss of the amendment.

Progress reported.

On motion of Mr. Pelletier, the House adjourned at 11.58 p.m.

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Abbreviations:—1r., 2r., 3r.=first, second, or third reading. Amdt.=Amendment. Com.=Committee. Con.=Consideration. Div.=Division. M.=Motion. Rep.=Report. Res.=Resolution. Sec.=Section.

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